

After the U.S. Election: Divided Government and Divided Parties

Minimizing Defeat, Republicans Seek a Tonic '2 Clashing Majorities' Portend a Rough Term

By David S. Broder
Washington Post Service

WASHINGTON — The Republican Party has awakened to its first back-to-back presidential defeat since 1964 and begun the quest for answers to the gender gap and other problems that persistently plague its candidates. The party line, laid down by the chairman of the Republican National Committee, Haley Barbour, was that the voting Tuesday was "a rallying election" that sustained, rather than reversed, the broad gains the party made in 1994.

But that sanguine view was far from universal. In California, the state on which Republicans built their Electoral College victories from 1952 through 1984, the party not only lost the presidential race again and came up short in Congress but saw the Democrats retake the state Assembly.

"It is not a devastating loss," said Attorney General Dan Lungren, who plans to run for the Republican gubernatorial nomination in 1998, "but it is a concerning loss. We have to sit down and really take a look at where we stand. We saw a falloff in turnout, in our base. Our party has not done a good job of getting the message out."

Some were quick to blame the presidential nominee, Bob Dole, and his running mate, Jack Kemp. But Tony Fabrizio,

By Thomas B. Edsall and Mario A. Brossard
Washington Post Service

WASHINGTON — The United States will be governed for the next two years by a White House and congressional majority that owe their elections to two separate and bitterly opposed voting coalitions. Those differences portend a divided government, between a Democratic president and a Republican House, whose key constituencies share almost no common ground.

The voters who helped propel President Bill Clinton to reelection, according to surveys taken during Tuesday's election, are more apt to be female, Roman Catholic, single, ideologically moderate to liberal, satisfied with their financial situation and less concerned about character than

those who make up the congressional electorate.

The Republicans' coalition is richer, whiter, more male-dominated, more pessimistic, more Protestant, more conservative and more likely to own a gun, and places a much higher priority on the deficit, taxes and honesty than those who backed the president.

What is emerging are divisions along the lines of religion, marital status and sex that are joining income and race as important predictors of partisanship. But this also means that Mr. Clinton and the Republican Congress will be representing voters with sharply contrasting expectations of what issues demand attention and what change should be achieved.

Obviously, some of the same people who put Mr. Clinton back in office also voted for a Republican in Congress. But

See PARTY, Page 2

See COALITIONS, Page 2

Hashimoto Victory Lifts Reform Hopes

Finance Ministry's 'Mr. Yen' Helps Talk Down the Dollar

By Mary Jordan
Washington Post Service

TOKYO — Ryutaro Hashimoto was re-elected prime minister of Japan on Thursday by a Parliament he does not solidly control, but that fragile grip may force the elusive change in government and economy that the United States and Japanese consumers have sought.

As the leader of the Liberal Democratic Party begins his second administration, many American and Japanese analysts believe he will be compelled to force changes to open the market to more foreign products and to begin abolishing the thicket of rules and regulations that make everything from building a house to buying a peach extraordinarily expensive.

"He has to do something because the hopes of his long-term survival and his aim to be a powerful prime minister depend on him making progress in the next six months," said Richard Medley, director of the Yale Center for International Finance. Soichiro Tahara, an influential television commentator, said, "If the LDP does not seriously address the call for reform, there is always the danger that the non-LDP parties would bring the government down."

The dollar fell sharply against the yen Thursday after the director-general of the Finance Ministry's International Finance Bureau said the yen's 40 percent slide over the last 18 months was ending.

"Looking at the fundamentals, the phase of the one-way correction of the yen's strength is ending," said Eisuke Sakakibara, who is known in financial circles as Mr. Yen for masterminding the dollar's rally from its postwar low of 79.75 yen in April 1995. This time, he prompted aggressive selling of the dollar, which fell from a morning high of 113.80 yen in Tokyo to close in New York at 112.125 yen.

The U.S. Treasury refused to address Mr. Sakakibara's comments, which had raised questions about whether there had been a shift in the Japanese government's yen-dollar policy. Page 15.

In the voting Thursday, Mr. Hashimoto won 262 votes from the 500 members of the lower house of Parliament. By law, Parliament elects the prime minister after voters elect Parliament. The Liberal Democrats failed to capture a majority at the polls last month and holds 239 of the 500 seats.

The extra votes Mr. Hashimoto received Thursday came from a patchwork of independents, defectors from other parties and members of the Social Democratic Party. After Mr. Hashimoto's election, he announced an all-Liberal Democratic Party cabinet, which was significant since it reflected a return to old-style Japanese politics and the paring out of cabinet posts to factions in the dominant party.

The most popular member of the outgoing cabinet, Naoto Kan, the health and welfare minister and a member of the Democratic Party, lost his position. However, Mr. Kan has agreed to a loose alliance with Mr. Hashimoto over reform of the bureaucracy.

See JAPAN, Page 10



A Rwandan Hutu refugee comforting her sick child in a camp near Kisoro, Uganda.

Squeezing Water From Tree Roots

By James C. McKinley Jr.
New York Times Service

GISENYI, Rwanda — After two years in exile, a 36-year-old teacher finally decided, in the middle of a rain forest, to return to Rwanda. He had been tramping along for four days with hundreds of other refugees on the run from guerrilla soldiers. Then he saw young and old people begin to die from thirst.

"There was no water and nothing to eat," said the teacher, John Mwiseneza. "We decided to try to squeeze water from the roots of trees. But it didn't work. That's when people began to die and then when we saw that, a lot of refugees tried to turn back."

Mr. Mwiseneza was one of 206 Rwandan refugees who straggled into their home country earlier this week, and were getting a meal and the first clean water they had in days at a temporary camp near the border with Zaire.

They are the lucky minority. The vast majority of the Rwandan refugees who have abandoned UN camps in eastern Zaire in the last two weeks because of a growing civil war there are not headed toward Rwanda.

Instead, hundreds of thousands are running westward, through rugged hills and jungle, into the heart of Zaire.

They are behind the front lines of the conflict, cut off from the aid they have depended on since 1994. UN officials fear they will begin to die in droves from hunger, cholera, dysentery and dehydration.

Since all Western aid organizations have pulled out, no one outside Zaire knows for sure where the refugees are or what shape they are in. Some have been marching for two weeks without food or clean water. Others left their camps with a week's worth of rations.

From the stories of those who have returned in recent days, however, it seems many of the refugees are in dire straits.

Mr. Mwiseneza said he fled the Katala camp last week at night after guerrillas launched an attack. Fearing to take the main road, he and his family joined a crowd of refugees heading south and west, into the Virunga National Forest, a volcano covered in jungle.

They kept moving for four days. Weak with

See REFUGEES, Page 10

Christopher Steps Aside At State Department

Resignation Is First Shot in What Promises To Be a Big 2d Term Shake-Up for Cabinet

By Brian Knowlton
International Herald Tribune

WASHINGTON — The reconstruction of the Clinton cabinet began Thursday when the president accepted the resignation of Secretary of State Warren Christopher and said he would "cast a wide net" to fill that post and perhaps a half-dozen other key positions.

Mr. Christopher's resignation will take effect Jan. 20, the day of Bill Clinton's inauguration. Others are considered imminent, including those of Defense Secretary William Perry, Commerce Secretary Mickey Kantor, Transportation Secretary Federico Pena and Energy Secretary Hazel O'Leary.

Moving quickly to set the tone for his new administration, Bill Clinton also hinted broadly that he might appoint a Republican or an independent to a prominent position.

He said the American people had sent a message Tuesday, when they returned him to office but also voted again for a Republican-dominated Congress.

"They want us to work together," he said. "They like it when we try to have principled compromise, and they want us to create a vital center."

Such a center, he added, "is not one that just splits the difference, but one that moves the country forward in an aggressive way. Republicans and Democrats and independents alike."

Mr. Clinton said he would hold a news conference Friday to make further announcements.

He accepted Mr. Christopher's resignation Thursday with "deep regret" and warm praise for a man he called "America's elder statesman."

"He has left the mark of his hand on history, not in some theoretical, intangible fashion but in concrete ways," the president said.

He paid particular tribute to Mr. Christopher's role in trying to bring peace to the Middle East, Bosnia-Herzegovina and Haiti. "The cause of peace and freedom and decency," Mr. Clinton said, "have never had a more tireless or tenacious advocate."

He noted that Mr. Christopher, 71, who had served previous administrations as trade negotiator, deputy attorney general and deputy secretary of state, was the most-traveled secretary of state in history.

Mr. Christopher himself likened the last four years to running a leg of "history's relay race." And now, friends said, he is weary and ready to return to his native California for rest.

Madeline Albright, the U.S. representative to the United Nations, is considered a strong candidate to succeed Mr. Christopher.

No woman has headed the State Department. She is said to have a strong ally in Hillary Rodham Clinton, and Mr. Clinton owes a large debt to women voters for the pivotal role they played in his re-election Tuesday.

George Mitchell, the respected former senator from Maine, also has been mentioned. He has served Mr. Clinton as a special envoy to the peace talks in Northern Ireland.

Mr. Mitchell's expertise in dealing with Congress could help his cause. Now with a Washington law firm, Mr. Mitchell would be expected to face little problem in confirmation hearings before the Republican-controlled Senate.

Other possible candidates include W. Anthony Lake, the president's national security adviser, and Strobe Talbott, the deputy secretary of state.

The retired chairman of the joint chiefs of staff, Colin Powell, also has been mentioned, though political calculus might argue against that.

He seriously considered seeking the Republican presidential nomination, while Vice President Al Gore clearly wants the Democratic nomination in 2000.

Bob Dole, asked whether he might accept a hypothetical appointment by Mr. Clinton to head a bipartisan commission to study Medicare, said Thursday that he saw no place serving the president on an issue where the two differed sharply in the campaign.

"That'd be pretty hard to do after he beat us up on it," he said.

China's Goodwill Mayor Off to Make U.S. Friends

By Seth Faison
New York Times Service

SHANGHAI — The mayor of Shanghai, Xu Kuangdi, is striking for his affability and self-deprecation, a refreshing contrast to most government officials in China, who typically follow a strict, dour Communist Party line when appearing in public.

Mr. Xu, 58, speaks with a disarming openness about problems and challenges, and easily sprinkles historical references into his conversation.

The careful listener will find, however, that Mr. Xu's comments on government policy do not vary in substance from those made by his more impassive fellow officials.

And he is not exactly accessible: An interview, his first with a U.S. publication since he became mayor, was

held 20 months after he took office. But Mr. Xu's manner is so friendly and direct that he is easily one of China's best ambassadors to the West, routinely charming businessmen, diplomats and even journalists.

As China and the United States work to mend relations, Beijing is sending Mr. Xu on a 10-day visit to New York, Washington and Los Angeles, starting Friday.

When he glad-hands business executives and members of Congress and makes a scheduled stop at the White House, Mr. Xu will be able to speak a language that Americans understand: His English is fluent. Even more than that, he has a worldly perspective that allows him to describe China's concerns in a context that is comprehensible to

See MAYOR, Page 10



Mayor Xu of Shanghai, displaying the rare smile of a Chinese official.

Beijing Rockets to Top Of Clinton Trade Agenda

By Paul Blustein
Washington Post Service

WASHINGTON — Now, it's China's economy, stupid.

That is one of the important ways in which President Bill Clinton's next four years will differ from his last four. After more than a decade in which Japan was the chief target of U.S. trade negotiators seeking to pry open foreign markets, China is emerging as Washington's No. 1 trade headache.

For Mr. Clinton, one of the biggest challenges of the second term will be trying to integrate China's fast-growing, heavily controlled economy into the global free-trade system.

Already, in fact, the administration is quietly stepping up its efforts to seek major liberalization of China's vast markets. In particular, U.S.-Chinese ne-

gotiations concerning Beijing's entry into the World Trade Organization, the Geneva-based body governing global commerce, have turned serious in the past several months after years of going nowhere. China's interest in joining the group presents a historic opportunity to demand changes in the way Beijing treats foreign companies and goods, and debate is raging among China experts and trade specialists over how tough Washington should be.

The issue may not seem as dramatic as last year's fight with Japan over autos, but it is a lot more important. Chinese exports are rising at an explosive rate. Beijing has become the world's 10th-largest producer of goods for sale abroad, and its trade surplus with the United States has exceeded that

See CHINA, Page 10

AGENDA

INTERNATIONAL Page 4
Netanyahu Sees Time for Syria Talks

ASIA/PACIFIC Page 6
Afghan Rivals Hold 'Good' Talks

OPINION Page 8
America Must Help Africa Now

SPORTS Page 23
Tokyo to Host 2002 World Cup Final

Boeing 727 Disappears Near Lagos

LAGOS (AFP) — Air traffic controllers at Lagos airport lost contact Thursday with a Boeing 727 airliner with 132 passengers and 9 crew members on board, according to A.D.C., the Nigerian airline that operated the domestic flight.

Search efforts were being mounted to find the aircraft, the airline said in a statement, without providing details.

The aircraft was on a flight from Port Harcourt, capital of Rivers State in southern Nigeria. Its signals disappeared from radar screens shortly before it was due to land in Lagos, Nigeria's principal city.

Boeing 727s are three-engine jets which, depending on the model, can carry 134 to 187 passengers for up to 5,600 kilometers (3,500 miles).

Democrats Give Back A \$325,000 Donation

The Democratic National Committee has refunded a \$325,000 donation to Yogesh Gandhi, saying the gift had raised too many unanswered questions. A Democratic official said the donor had assured the party that he could document where the funds came from, though he never did. (Page 2)

Dow Jones	Trib Index
Up 28.33	Up 0.14%
6206.04	144.92
The Dollar	
New York	Thurs. close previous close
DM	1.5127 1.5183
Pound	1.678 1.6417
Yen	112.125 113.97
FF	5.1115 5.127

Opinion Pages 8-9
Sports Pages 22-23

U.S. ELECTIONS / THE OPERATIVE WORD IS 'FIGHT'

Political Storms Aren't Yet Over

Voting Patterns Ensure More Government Schisms

By R.W. Apple Jr.
New York Times Service

NEW YORK — The paradox of the 1996 elections is this: Dissatisfied with their political leadership, American voters opted for the status quo; weary of bickering, they set the stage for more by prolonging divided government.

There was no ringing mandate for President Bill Clinton and none for the Republican congressional leadership, although both lived to fight again. "Fight" is the operative word.

Despite morning-after murmurs of bipartisanship, the next four years are

NEWS ANALYSIS

likely to be marked by the turbulence and infighting that characterize not only divided governments but many second presidential terms.

No one can say for sure whether the electorate, or any significant part of it, planned things this way. There were no hard data on so-called strategic voting, though there was plenty of anecdotal evidence in the form of comments by voters who said the country would be better off with one party controlling the White House, the other Capitol Hill. But if they welcomed an additional, extraconstitutional check on abuses of power, voters also made it clear that they were sick and tired of partisan squabbling.

"If there is a mandate, it is to govern from the middle and to take things slowly," said Senator Tom Daschle of South Dakota, the minority leader. "They want us to work together and cut out the partisanship."

Easier said than done, given the close division of power. The scandals left over from the first Clinton administration present the Republicans with a juicy target for more investigations, and they will seek to exact revenge from Democrats who pilloried them, in their view unfairly, as enemies of Medicare.

Signs of political discontent have been everywhere in this campaign year, from the public's unrequited longing for a presidential run by retired General Colin Powell to the consistent finding of poll takers during the primaries that people wanted more choices. Further evidence came to hand in the failure of political books, the shrinkage of television audiences for debates and, finally, the meager turnout at the polls on Tuesday.

For the first time since 1924, fewer than half the Americans of voting age bothered to cast ballots.

The longer the campaign went on, the less likely undecided voters were to back the president. Among those who said they made up their minds in the last week, 47 percent turned to Mr. Dole, 17 percent went to Ross Perot of the Reform Party, and only 35 percent wound up in Mr. Clinton's column.

Mr. Clinton was denied not only the majority he had wanted so badly, finishing at 49 percent, but also Democratic control of the Senate and House of Representatives. Dick Morris, the strategist who devised the president's plan of shifting right to capture "the vital American center," said he detected signs of deep frustration in Mr. Clinton's election-night speech.

Yet win Mr. Clinton did, with 6 percent more popular votes and 9 more electoral votes than in 1992. He conceded to Mr. Dole only a broad band of Plains and mountain states stretching from the Canadian border to Texas — states where his taciturn, hard-bitten campaign style played well — and most of the old cotton South, and Indiana, an island of Republican red in a sea of Democratic blue covering the northeast.

Mr. Perot, the most obvious outlet for protest votes, drew fewer than half the votes he drew four years ago, despite a modest surge at the end.

Nor did any tidal wave of change develop in the battle for Congress. House Speaker Newt Gingrich, the Republican Democrats love to hate,

proved unpopular with the electorate as a whole, with 59 percent expressing an unfavorable view of him in exit polls. Asked for their appraisal of the performance of the Congress led by Mr. Gingrich, 52 percent said they disapproved.

Yet, millions of Democratic dollars and millions more from organized labor, newly militant, failed to dislodge enough of the Republican freshmen in the House to overturn the Gingrich revolution of 1994.

Overall, the Democrats gained about 8 seats, half what they needed, although they did very well in California, despite Mr. Dole's decision to stump extensively there in the final weeks.

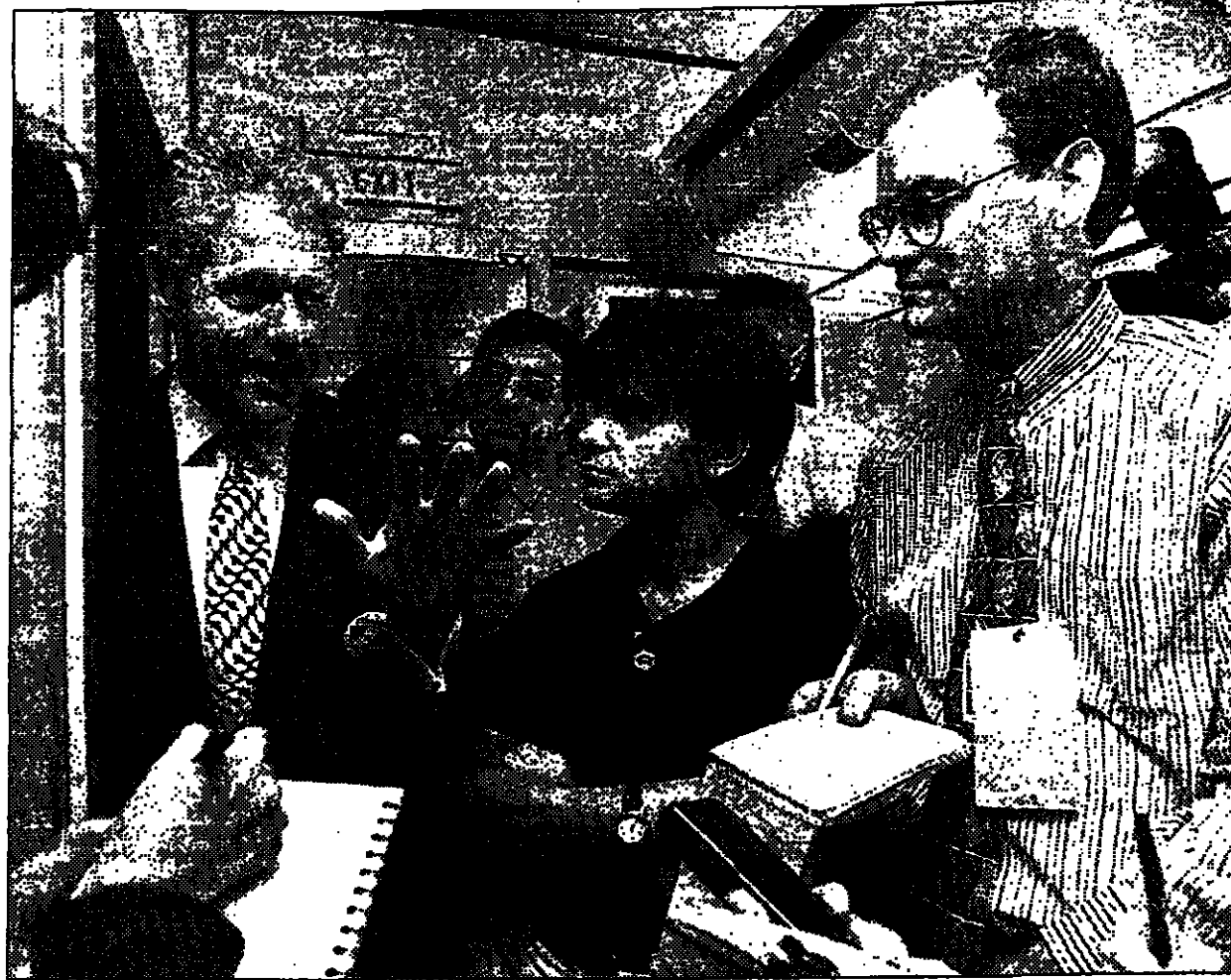
Each party could do a bit of pointing with pride, and of course they did so. Democrats rejoiced in a Democratic president winning a second consecutive term for only the third time (Woodrow Wilson, Franklin D. Roosevelt and now Bill Clinton) since Andrew Jackson.

Republicans celebrated their maintenance of majority control on Capitol Hill for two consecutive terms, something they had not managed in more than six decades, well before the New Deal.

But there were worrisome elements for both parties, too.

The Democrats are falling further and further behind in the South, once their unchallenged domain. Of the states of the old Confederacy, Mr. Clinton and his running mate, Vice President Al Gore, won only their home states of Arkansas and Tennessee plus Florida, where their steadfast defense of Medicare strengthened them among the state's many retirees, and Louisiana, whose big Roman Catholic population has helped keep it Democratic.

For the Republicans, the gender gap, now more nearly a gender chasm, is a problem screaming for a remedy. According to the exit poll by Voter News Service, Mr. Clinton got 54 percent of women's votes and Mr. Dole 38.



Mr. Clinton, left, on Air Force One, chatting with reporters and staff members on the way back to Washington.

Democrats Face Larger Inquiries

By Stephen Labaton
New York Times Service

WASHINGTON — As they celebrated the prospect of a second Clinton term, Democrats were warned by congressional Republicans that the investigations that dogged the White House in the last two years were all but certain to spill into 1997.

Republican lawmakers vowed on Wednesday to enlarge their new inquiries on the fund-raising activities of the Democrats. The investigations promise to be among the most sweeping of modern times.

Already, nearly a dozen congressional committees had filed scores of requests for information from an assortment of federal agencies, the Democratic National Committee and the White House.

The congressional investigations are but one legal front on which the White House may be fighting. The Whitewater independent counsel, Kenneth Starr, is expected to reach crucial decisions on whether new charges should be sought as a result of inquiries into a hedgepodge of issues touching on the Clintons, ranging from tangled Arkansas real estate deals, Hillary Rodham Clinton's legal work for a corrupt savings association, the firing of White House travel office staffers and the improper acquisition by the White House of hundreds of FBI files.

Also, early next year, lawyers representing President Bill Clinton, the federal government and Paula Jones are expected to argue before the Supreme Court over whether the president is immune from civil lawsuits while he is in office. Ms. Jones has accused Mr. Clinton of sexual harassment while he was the governor of Arkansas and she was a state employee.

In the new congressional investigations, the Republicans have already asked for information ranging from the administration's conduct of foreign policy in Asia and control of sensitive intelligence information to the regulation of the Lippo Bank, the California

bank run by John Huang, the Democratic National Committee official at the center of the inquiry, and his Indonesian associates, including the Riady family, a business clan whose wide-ranging holdings included the Lippo Bank.

Asked about the prospect of more congressional investigations, Mr. Clinton said Wednesday that experience had shown the Republicans that prior inquiries were "not fruitful for them and not productive for them politically."

"It didn't move our country forward," the president said. "And I think what the American people want us to do now is roll up our sleeves, get together. If we can't reach a principled compromise, they'll understand it. But they want to know we're trying. They don't

want us playing politics, they want us building their future, and that's what I'm committed to do."

A Senate Probe May End

Senator Alfonse D'Amato has indicated he may end a Senate probe into the Whitewater affair, The Associated Press reported.

The New York Republican and chairman of the Senate Banking Committee said, "It's not the time to be looking at investigations, either by the banking committee or any other panel."

"We should leave that in the hands of the special prosecutor and shouldn't be attempting to substitute our judgment," Mr. D'Amato told reporters Wednesday.

Democrats Return \$325,000

Donor Failed to Prove Source of Funds, Official Says

By Alan C. Miller
Los Angeles Times

WASHINGTON — The Democratic National Committee said it had returned one of its largest 1996 campaign contributions, \$325,000, to Yogesh Gandhi because it could not verify that he was the source of the funds.

"The donation was lawful on its face," a committee representative said. "However, after questions were raised by the Los Angeles Times, we did our own investigation and ascertained that the check needed to be returned because there were so many unanswered questions."

The Democrats have returned more than \$700,000 in questionable or unlawful donations in the last six weeks. The refund Wednesday to Mr. Gandhi, a distant relative of Mohandas Gandhi and head of the Gandhi Memorial International Foundation, is the largest.

The Democratic National Committee said it began its own inquiry into his contribution after an Oct. 23 newspaper report suggested that Yogesh Gandhi did not have the financial resources in the United States to make such a large contribution. Among other things, the story said Mr. Gandhi had testified under oath in court in August that he had no U.S. assets and that his foundation had been largely defunct for several years.

Committee officials obtained a copy of the court transcript this week, party sources said, and then asked Mr. Gandhi to document that he had the financial resources to make the donation. The official who spoke to Mr. Gandhi said the contributor had "indicated that he had bank accounts in this country in his own name and that he would get back to us with additional information to confirm it" but never did so.

PARTY: Republicans Seek Remedy to Woes Plaguing Candidates

Continued from Page 1

the pollster for the national ticket, said that the problems went far deeper — notably the difficulty of balancing the competing ideologies and agendas of what he called "the five Republican parties — the supply-siders, the moralists, the America Firsters, the Whitman-Weld-Wilson moderates and the old-fashioned conservatives."

Holding the disparate elements of a coalition together requires leadership, and the Republican Party faces an unusual vacuum at the top. With Mr. Barbour due to step down in January, Mr. Dole headed into retirement and Mr. Kemp out of public office, there is no one with the prestige of a Richard Nixon or the organizational prowess of a Ray Bliss — the senior statesman and party operative who guided the Republicans to recovery after 1964.

"There may be a period of ferment," said Newt Gingrich, who as speaker is the senior Republican official in Wash-

ington. The Georgian might ordinarily be expected to fill the leadership vacuum himself, but as he half-jokingly said, "I was the target of 75,000 ads" as Democratic candidates made him the proxy for the Republicans they were trying to beat.

"It has to be a party-wide approach," he said. "That's why I'll be meeting with the governors."

The senate majority leader, Trent Lott, who is still a fresh face to the public after almost a quarter-century in Congress, lost no time in asserting himself. "I'm really excited," he said about the Republicans' having won successive majorities in the House and Senate for the first time in 68 years.

Mr. Lott, who succeeded Mr. Dole after the Kansan left the Senate to campaign full time, joined a fellow Mississippi, Mr. Barbour, in arguing that Mr. Clinton had won by adopting "Republican themes of smaller government and lower taxes and welfare reform."

Mr. Lott, Mr. Gingrich and Mr. Bar-

bour represent the Southern wing of the party, which increased its numbers in the House and Senate again in this election.

Governors George W. Bush of Texas and Tom Ridge of Pennsylvania rejoiced in Republicans' gains in statewide races below the presidential level. Along with John Engler of Michigan, who is head of the Republican Governors Association, they said the party's future direction would be found in the state capitols.

"You're going to hear a lot from the governors in Republican councils," Mr. Bush said.

But Mr. Ridge said some of the tactics of the Southern-oriented national party leaders had created problems.

The gender gap, he said, began with the closing of government last winter in the budget dispute between Mr. Clinton and Mr. Gingrich. "Whether women are liberal or conservative," he said, "they believe government is here to stay and that it sometimes does some good. When you shut it down, you offend them."

COALITIONS: '2 Clashing Majorities' Portend a Rough Term

Continued from Page 1

polling data show these ticket-splitters represented only about one in seven voters. With this small an overlap between those who cast ballots for both, it became possible for two ideologically and demographically opposed voting coalitions to

emerge and produce divided government.

The election of 1996 produced "two clashing majorities," declared Merle Black, a political scientist at Emory University.

Take the fundamental dividing line between those voters who believe government should do more to solve problems, and those who believe much of what government does would be better left to businesses and individuals. By nearly 2 to 1, Clinton voters said government should have a stronger role. By a larger 3 to 1 ratio, voters for Republican congressional candidates said government is doing too much as it is.

These dueling majorities are also apt to cause Mr. Clin-

ton difficulties on a personal front. As the administration gears up for what will no doubt be a barrage of congressional inquiries into the president's political fund-raising and past financial dealings, it can point to the faith Mr. Clinton's own voters showed for their candidate. By better than 3 to 1, his voters characterized Mr. Clinton as "honest and trustworthy."

But the voters who cast ballots for Republican members of the House have a very different view of their chief executive. Fully 84 percent of these men and women believe that Mr. Clinton is dishonest. Polling data show 58 percent of the Clinton coalition are women, while 42 percent are men. In contrast, the Republican congressional coalition is mainly male, with 53 percent men, and 47 percent women.

The gender gap was not only crucial to Mr. Clinton's victory, but also has long-range significance to the Democratic Party because women make up a larger share of the electorate than men. They cast 52 percent of the ballots on Tuesday, compared with 48 percent by men.

These and other differences between Mr. Clinton's electorate and that of the Republican Congress translate into support for disparate legislative agendas.

Despite passage of a what was widely viewed as a tough measure ending the federal entitlement to welfare and setting lifetime limits on benefits, a solid majority of those who voted for the Republican House believe welfare laws should be made even tougher. One-third believe the new bill was "about right," and just 8 percent said it cut too much.

A plurality of Mr. Clinton's backers, by contrast, said the bill was on target. Another fourth said it cut too much, and about the same number said it should have gone further in reducing benefits.

The two constituencies see the political world, and the central players in it, through completely different lenses.

Correction

In Thursday's chart showing results from House elections, two North Carolina districts were inadvertently omitted.

In District 11, Charles Taylor (R) defeated James Ferguson (D) by 58 percent to 40 percent. In District 12, Melvin Watt (D) defeated Joseph Martino (R), 71 percent to 27 percent. The state has 12, not 19 districts.

LIVING IN THE U.S.?

Now printed in New York
for same day
delivery in key cities.

To subscribe, call
1-800-882-2884

(in New York call 212-752-3890)

INTERNATIONAL
Herald Tribune

THE WORLD'S DAILY NEWSPAPER

In this Saturday's

REPORT

Eastern Europe

Prague loses its luster as investors move portfolios to Warsaw

INTERNATIONAL
Herald Tribune

THE WORLD'S DAILY NEWSPAPER

TRAVEL UPDATE

BA Seeks Errant Bags

LONDON (Reuters) — British Airways was trying to track down thousands of pieces of baggage on Thursday and calm angry passengers at Britain's Heathrow airport after a conveyor system broke down.

Up to 7,000 pieces of luggage piled up at the airport as British Airways brought in extra staff to help clear the backlog and appease fuming travelers.

"Obviously there are a lot of passengers who have been inconvenienced by the delays and we are doing everything we can to try to resolve the issue," an airline spokeswoman said.

Strike Call in Paris

PARIS (AFP) — Major trade unions in the Paris Metro on Thursday called a 24-hour strike for Friday Nov. 15 that was expected to seriously disrupt services.

The unions are demanding shorter working hours and the creation of new jobs, pay rises to compensate for higher taxes and better security in the face of increasing attacks on personnel by violent passengers.

A team of American security experts is looking into ways to improve safety at Beirut airport, where gunmen once roamed the terminal and the tarmac during the country's civil war. (AP)

WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe				North America				Asia			
City	Today	Low/High	Tomorrow	City	Today	Low/High	Tomorrow	City	Today	Low/High	Tomorrow
Algeria	22/71	14/57	22/71	Atlanta	62/82	50/68	62/82	Beijing	51/68	34/51	51/68
Amsterdam	54/63	35/50	54/63	Boston	45/55	32/48	45/55	Bombay	28/38	21/30	28/38
Athens	16/61	12/41	16/61	Chicago	54/64	41/54	54/64	Buenos Aires	28/38	21/30	28/38
Bahia	11/52	10/42	11/52	Dallas	54/64	41/54	54/64	Calcutta	28/38	21/30	28/38
Bangkok	28/38	21/30	28/38	Denver	45/55	32/48	45/55	Chengdu	51/68	34/51	51/68
Barcelona	14/57	10/42	14/57	Detroit	45/55	32/48	45/55	Chongqing	51/68	34/51	51/68
Berlin	54/63	35/50	54/63	Hong Kong	28/38	21/30	28/38	Guangzhou	28/38	21/30	28/38
Bombay	28/38	21/30	28/38	Los Angeles	62/82	50/68	62/82	Hanoi	28/38	21/30	28/38
Buenos Aires	28/38	21/30	28/38	Madrid	54/63	35/50	54/63	Harbin	28/38	21/30	28/38
Calcutta	28/38	21/30	28/38	Moscow	45/55	32/48	45/55	Hong Kong	28/38	21/30	28/38
Chengdu	51/68	34/51	51/68	New York	54/64	41/54	54/64	Kobe	51/68	34/51	51/68
Chongqing	51/68	34/51	51/68	Philadelphia	45/55	32/48	45/55	Manila	28/38	21/30	28/38
Columbo	28/38	21/30	28/38	Pittsburgh	45/55	32/48	45/55	Osaka	51/68	34/51	51/68
Dallas	54/64	41/54	54/64	Portland	45/55	32/48	45/55	Seoul	51/68	34/51	51/68
Denver	45/55	32/48	45/55	San Francisco	54/64	41/54	54/64	Shanghai	28/38	21/30	28/38
Detroit	45/55	32/48	45/55	Singapore	28/38	21/30	28/38	Shenzhen	28/38	21/30	28/38
Hong Kong	28/38	21/30	28/38	Taipei	28/38	21/30	28/38	Sydney	18/28	11/21	18/28
Kobe	51/68	34/51	51/68	Tokyo	51/68	34/51	51/68	Taipei	28/38	21/30	28/38
Los Angeles	62/82	50/68	62/82	Urumqi	28/38	21/30	28/38	Tientsin	28/38	21/30	28/38
Madrid	54/63	35/50	54/63	Vladivostok	28/38	21/30	28/38	Wuhan	28/38	21/30	28/38
Moscow	45/55	32/48	45/55	Yokohama	51/68	34/51	51/68				
New York	54/64	41/54	54/64								
Philadelphia	45/55	32/48	45/55								
Pittsburgh	45/55	32/48	45/55								
Portland	45/55	32/48	45/55								
San Francisco	54/64	41/54	54/64								
Singapore	28/38	21/30	28/38								
Taipei	28/38	21/30	28/38								
Tokyo	51/68	34/51	51/68								
Urumqi	28/38	21/30	28/38								
Vladivostok	28/38	21/30	28/38								
Yokohama	51/68	34/51	51/68								

U.S. ELECTIONS / A DIFFERENCE IN SENATORIAL STYLE

Senate's Tilt Right Might Balance the Budget

By David E. Rosenbaum
New York Times Service

NEW YORK — The U.S. Senate will be more conservative as a result of the elections. The changes may mean an atmosphere less conducive to compromise, and they may enhance prospects for congressional approval of a constitutional amendment requiring a balanced budget.

Depending on the outcome of a race in Oregon that was still undecided Thursday, Republicans will end up with 54 or 55 seats in the new Congress, one or two more than they had in the 104th Congress.

Several moderate Republican senators are retiring, including William Cohen of Maine, Nancy Kassebaum of Kansas and Mark Hatfield of Oregon.

One of the newly elected Republicans, Susan Collins of Maine, was a Cohen staff member and generally holds his political views. But the other Republicans who will fill seats their party already controlled ran as staunch conservatives. They are Pat Roberts and Sam Brownback of Kansas, Mike Enzi of Wyoming and Wayne Allard of Colorado.

In addition, three moderate Democratic senators, David Pryor of Arkansas, Howell Heflin of Alabama and James Exon of Nebraska, are retiring and will be replaced by conservative Republicans. Tim Hutchinson in Arkansas, Jeff Sessions in Alabama and Chuck Hagel in Nebraska.

The one exception to the trend was in South Dakota, Larry Pressler, a conservative Republican, was the only incumbent senator who lost Tuesday night. His replacement, Tim Johnson, is not nearly so conservative.

The biggest difference between the old and new senators may be more in their styles than in ideologies.

Many of the senators who are leaving tried to work closely with members of the opposing party. For instance, Senator Bill Bradley, Democrat of New Jersey, worked with Republicans on taxes. Senator Alan Simpson, Republican of Wyoming, worked with Democrats on immigration, while Mr. Kassebaum did so on health care.

"I expect a hardening of the lines," said Charles Jones, a political science professor at the University of Wisconsin who has written widely about Congress and the presidency.

One of the first steps of the Senate in the next Congress, according to the Republican leader, Senator Trent Lott of Mississippi, may be to revive the proposal for a constitutional amendment that would require a balanced federal budget.

The new Republicans can be expected to support the amendment. Two of the new Democrats, Mr. Johnson and

Robert Torricelli of New Jersey, voted for it in the House.

"It looks like we might have the votes to pass it in the Senate," Mr. Lott said. He warned the Democrats, "We'll give them a chance to vote on it; you can count on that."

The crucial element of the next Congress will be where Mr. Lott places his priority, said Professor Richard Fenna, a congressional scholar at the University of Rochester in New York.

"The question," Mr. Fenna said, "is what proportion of his time and energy he wants to spend investigating Clinton as opposed to cooperating with the White House to get legislation."

Mr. Lott, who replaced Bob Dole as the majority leader when Mr. Dole left the Senate last June, straddled the question at a news conference Wednesday.

"We have a responsibility in a variety of ways to take a look at the allegations and what appears to be wrongdoing," he said.

He added, however, "That is not going to be our principal and primary focus."

One person involved in answering this question may be Senator John McCain, Republican of Arizona. He is expected to replace Mr. Pressler as chairman of the Commerce Committee, which could have jurisdiction over some of the accusations against the Clinton administration involving campaign finance.



Senator John Kerry, a Democrat, thanking a campaign worker in Boston.

Campaign 2000: Gore's Already Off and Running

By Charles Babington
Washington Post Service

LITTLE ROCK, Arkansas — In his victory speech here, Vice President Al Gore spoke of "an America in transition to a new era."

At that very moment, he was undergoing a seismic political transition of his own. President Bill Clinton had just ended his last campaign. Mr. Gore, without saying so, was beginning the long process of staking claim as the Democratic front-runner in the 2000 presidential race.

"He starts a new career today," the Clinton-Gore media adviser, Bob Squier, said Wednesday morning, as Mr. Gore prepared to return to Washington.

No longer can Mr. Gore reply, "one at a time," when supporters shout "2000!" Everyone knows he is running for president, and he brings significant more stature and experience to the task than he did when he made an ill-fated bid in 1988.

While Mr. Gore is hardly the political animal that Mr. Clinton is, he has built his image by adeptly handling

several issues the president has delegated to him, including the environment, streamlining government and dealing with Russia. Mr. Gore and his aides say the best way to pursue his presidential ambitions is to continue that close relationship with the president, even with the risk that ethical questions might tarnish Mr. Clinton's second term.

"We've developed a friendship that works on every level, right down to the deepest level," Mr. Gore said Wednesday, rejecting the notion that he might start distancing himself from Mr. Clinton.

"There will be times when he will ask me to take on new challenges in helping him," Mr. Gore said, although he declined to speculate on what they might be.

Several political activists said Mr. Gore's strong suit was his image as a serious and substantive vice president who arguably has the closest working ties to a president in modern times. He is wise to stick with that image, they said, and take his political chances on Mr. Clinton's popularity in the coming four years.

"He's already become the most

powerful vice president in history," George Stephanopoulos, Mr. Clinton's adviser, said in an interview. "That can only multiply in the second term. The vice president has always known that when the team does well, he does well."

James Thurber, an American University professor who has studied presidents, said: "The vice president is as successful as a president will allow him to be."

There has been a "special relationship" between Mr. Gore and Mr. Clinton that, thus far, has helped both men, he said.

Mr. Gore can continue to benefit from that relationship, Mr. Thurber said, as long as charges about questionable campaign fund-raising and other issues don't drag down the administration.

"If there's a scandal," Mr. Thurber said, "then the analogy is Hubert Humphrey and Vietnam." Mr. Humphrey, Lyndon Johnson's vice president at the height of the unpopularity of the war, won the Democratic nomination in 1968 but lost the presidential race to Richard Nixon.

Mr. Gore, 48, told reporters Wed-

Robertson Warns Republican Leaders

NEW YORK — Pat Robertson, whose Christian Coalition has emerged as a highly influential force in Republican Party politics, has said religious conservatives will begin working as early as 1997 to shape the message of the next Republican presidential campaign.

The religious broadcaster said the forces would try to take control from what he called inside-the-Beltway Republican operatives, whom he denounced as incompetent and uninterested in moral issues.

"We're not going to sit by as good soldiers and take whatever is given us," he said. Referring to Bob Dole's unsuccessful presidential campaign this year, he added: "We were not consulted on this campaign. We were peripheral." (NYT)

Newsman's Asides

NEW YORK — Callers have flooded ABC's phone lines to complain about or praise David Brinkley for the commentator's criticism of President Bill Clinton in election night coverage. The veteran journalist called the Democrat "a bore" with "not a creative bone in his body."

Mr. Brinkley, 76, who has covered every presidential election since 1956, announced earlier this autumn that he would retire from most of his ABC duties, except for contributing a weekly commentary to the Sunday interview program "This Week." Next Sunday is to be his last day as host of that program.

Most of his comments about Mr. Clinton came late in the network's election coverage, shortly after 12:30 A.M. Eastern time Wednesday.

"We can all look forward with great pleasure to four years of wonderful, inspiring speeches, full of wit, poetry, music, love and affection — plus more goddamned nonsense," Mr. Brinkley said sarcastically, implying he expected this from Mr. Clinton. (NYT)

Quote/Unquote

Richard Haass, a Bush administration official who is director of foreign policy studies at the Brookings Institution, as the Clinton administration confronts the postelection issue of keeping troops in Bosnia: "Mr. Clinton is going to pay a price for not coming clean. I say this as someone who believes a follow-on force is the right thing, but it will be harder to get the votes in Congress, because he didn't square with Congress or the American people." (WP)

Away From Politics

• Joseph Waldholtz drew a three-year prison term for fraud in connection with the campaign of his former wife, Representative Edith Greene, Republican of Utah. (AP)

• Theodore Kaczynski, accused of being the Unabomber, rejected an arraignment by video and will be brought to New Jersey to enter a plea to charges that he murdered an advertising executive, a federal judge said. The former Berkeley math professor, also under indictment in Sacramento, California, could face the death penalty in either the California or New Jersey cases. Mr. Kaczynski is charged with eight bombings in six states that killed three and injured 23 over 18 years. (AP)

• Archaeologists excavating the sunken ship of the French explorer La Salle near Corpus Christi, Texas, found a 300-year-old human skeleton in the wreckage and think there may be many more. The skeleton was found last week as archaeologists worked to recover the remains of the Belle, the ship belonging to the explorer who traveled the Mississippi River and named the land around it Louisiana. (AP)

Democrats Reverse a Trend in State Chambers

By James Brooke
New York Times Service

DENVER — As state legislatures prepare to grapple next year with new powers over welfare and health care for the poor, Democratic voters have halted the enormous electoral advances made by Republicans in those legislatures in the first half of the 1990s.

Although compared with presidential and congressional races, legislative races generally receive scant attention, this year the results are likely to have a major impact on the national agenda.

Under the welfare bill signed into law in September by President Bill Clinton, states are to draw up timetables next year for moving people off welfare and into jobs.

The state programs are to be financed with billions of dollars in block grants from the federal government.

States will decide such

training and the eligibility of immigrants for aid.

"Massive issues are going to land on their doorsteps — the spillover effects of welfare reform, Medicaid," said Michael Malbin, director of the Center for Legislative Studies at the Rockefeller Institute of Government in Albany, New York.

Some critics say that giving the states responsibility over welfare and other social programs without adequate resources to pay for the additional burdens will merely pulverize the federal budget crisis into 50 state budget crises. Many states are required by their constitutions to balance their budgets.

Donald Boyd, director of the Rockefeller Institute's Center for the Study of the States, said, "When governors submit their welfare proposals to the legislatures, more attention may be paid to traditional Democratic concerns, funneling money into job training rather than tax cuts."

From the Republican side,

Robert Brawley, a North Carolina legislator who is president of the National Republican Legislators Association, said of welfare programs, "The first question we are going to have to ask at the state level is: Do we want to keep those federal programs?"

In the election Tuesday, Democrats increased the number of chambers under their control to 49 from 46, winning majorities in such important chambers as the California, Illinois and Michigan houses of representatives. After suffering a net loss of 664 seats since 1992, the Democrats scored a net gain of about 96 seats, or 1.6 percent of the total contested.

"We turned around a 10-year trend in losing seats," said Kevin Mack, executive director of the Democratic Legislative Campaign Committee.

Chambers controlled by Republicans fell to 44, from 50. In 1994 the Republicans doubled to 19 the number of states with both houses con-

trolled by their party. "This year," Mr. Brawley said, "we didn't do as good a job as in 1994 in getting our message out."

The voting left 31 states

with at least one legislative chamber controlled by the opposite party from the governor's. The highest number in a decade, this is about double the average in the 1950s.

PEPPER HAD ALWAYS BROUGHT A TEAR TO HIS EYE.

But the tears 'Black' Jack Stoppard shed weren't of sadness, rather relief. 'Blackie's' purchase of white peppercorns (with what was rumoured to be his last silver dollar) prior to the notorious monsoon of 1936, made him cash-rich in a Europe caught spice-short. Returning home more financially advantaged has been a tradition among residents of Raffles Inc. The exclusive business wing of Raffles Hotel, 1 Beach Road, Singapore 189673. For reservations, please contact us through your business associates.



in Singapore, or call Yat Lo Fatt on (65) 337-1886 or fax (65) 339 7650. e-mail: raffles@pacific.net.sg

A RAFFLES INTERNATIONAL HOTEL

Since October 18th,

All telephone numbers in France have changed from 8 digits to 10. The new telephone number for the IHT in Paris;

From outside France:

+ 33 1 41 43 93 00

From inside France:

01 41 43 93 00

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

JAL REACHED THE HIGH FLYERS

"Scientific American has played an important part in the major direct marketing drive to expand our frequent flyer data base. We have been delighted by the response, it exceeded our initial expectations and proves Scientific American delivers high quality, internationally minded readership." Makoto Onishi, Senior Director Japan Airlines, Sales & Marketing Europe, Middle East & Africa.

For more information on how Scientific American can help your marketing call Roy Edwards on +44 (0)171 842 4343. e-mail 101650.364@compuserve.com. world wide web address http://www.sciam.com

SCIENTIFIC AMERICAN

Mayor of Jerusalem Is Indicted

Mr. Olmert is also charged with having vastly underreported to state auditors donations to the party, which allowed Likud to receive greater financial aid from the state during the campaign.

Mr. Olmert, also a Likud member of Parliament, has insisted on his "total innocence" and has refused calls for his resignation as mayor.

Two other Likud officials who served under Mr. Olmert during his stint as party treasurer have already been found guilty of forging documents, and fingered Mr. Olmert in the case.

TODAY'S

HOLIDAYS & TRAVEL SECTION


Appears on Page 12

Persons

MAY THE SACRED HEART OF Jesus be ascribed, glorified, loved and preserved throughout the world, now and forever. Sacred Heart of Jesus pray for us. Saint Jude, worker of miracles pray for us. Saint John, helper of the hopeless, pray for us. Amen. Say this prayer nine times a day, by the ninth day your prayer will be answered. It has never been known to fail. Publication must be promised. U.K.

THANK YOU SACRED HEART of Jesus and St. Jude for special prayers answered. D.W.

Moving



INT'L MOVING

Auto Rentals

RENT AUTO DERGI FRANCE
24 HOURS: FF165 - 7 DAYS: FF150.
Tel 01 45 87 27 04

Announcements

BAREME AS 24
AU 6 NOVEMBRE 1988
Prix Hors TVA en devises locales
(Réglement disponible sur demande)
Remplace les barèmes antérieurs

FRANCE (zone C) en FFH - TVA 20,8%	GIC: 3,77	FOD: 2,30
GO: 5,29	SCSP: 5,13	

UK zone B en LI - TVA 17,5% (hors 0%)	GO: 0,5469	FOD: 0,3459
---------------------------------------	------------	-------------

ALLEMAGNE (zone I) DM - TVA 15%	ZONE I - E :	
GO: 1,09		
ZONE II - F :		
GO: 1,10	SCSP: 1,40	
ZONE III - F :		
GO: 1,08	SCSP: 1,41	
ZONE IV - F :		
SCSP: 1,38		
ZONE V - G :		
GO: 1,09	FOD: 0,65	

BELGIQUE (zone D) NLG - TVA 21%	GO: 12,84	FOD: 11,11
SCSP: 32,23	SCSP: 30,25	

HOLLANDE (zone D) NLG - TVA 17,5%	AU 07/1/88	GO: 1,288
-----------------------------------	------------	-----------

LUXEMBOURG en LUFH - TVA 15%	GO: 20,70	
------------------------------	-----------	--

ESPAGNE (zone A) en PTASA-TVA 16%	GO: 67,41	
SCSP: 102,41	SCSP: 104,14	

* Usage réglementaire

Autos Tax Free

Chrysler, Ford, General Motors all models. Immediate delivery. European factory delivery available - BMW, Mercedes, Saab, Volvo, Porsche, Dealers Leasing Group. Tel: USA 201-726-9323 Fax: 201-726-0021 USA.

EUROPE AUTO BROKERS, INC

Tedfordland 31(0)30-606494 Fax 0306094

Boats/Yachts

YACHT - PRINCESS MOD 435-49 with twin TAMODI engines. 1 owner and 375 hours only. Well equipped and low maintenance. \$200,000. Fax +46 8 530 699 26 Tel +46 8 530 399 90

Legal Services

DIVORCE - 1 DAY CERTIFIED
Call or Fax (714) 959-6955. Write: 19913 Beach Blvd. #315, Huntington Beach, CA 92648 U.S.A. e-mail: wesporn@juno.com

DIVORCE IN 1 DAY. No travel. Write to: Box 377, Sudbury, MA 01776 USA. Tel: 508/443-8367. Fax: 508/443-0163.

Business Opportunities

OFFSHORE BANKS
INSURANCE BANKS
COMPANIES & TRUSTS
ASSET PROTECTION
IMMIGRATION/PASSPORTS
TRADE-FINANCE

ASTON CORPORATION
TRUSTEES LTD
19 Peel Road, Douglas, Isle of Man
Tel: 01624 626831
Fax: 01624 629126
London Tel: 0171 232 8666
Fax: 0171 232 1516
E Mail Mo. nation@enterprise.net

OFFSHORE COMPANIES registered in Europe. Total anonymity. No taxes or royalties. Immediate delivery for \$19,500. International Attorney S.A. Fax: +550-290 287 or +450-020 694 E-MAIL: INTATT@AOL.COM

OFFSHORE COMPANIES For free brochure or advice Tel London 44 181 741 1224 Fax 44 181 740 9556/5338 www.aeglepoint.co.uk

OFFSHORE COMPANIES

750 READY MADE COMPANIES
BANK INTRODUCTIONS
ACCOUNTING, LEGAL & ADMIN
LIC'S & TRADE DOCUMENTATION
TELEPHONE/FAX/FORMWORKING

Telephone or fax for immediate service and 100 page colour brochure

OCEA ASIA LIMITED
24-02 Bank of America Tower
Harbour Road, Hong Kong
Tel +852 25202712
Fax +852 25211180

OFFSHORE COMMERCIAL BANK
FOR SALE
With Class A license and correspondent bank relationship. Includes a tax-free holding company, a U.S. subsidiary with New York City offices, and a U.K. subsidiary with London offices. Immediate acquisition, 100% control. US \$50,000. FINANCE MERCHANTS GROUP.
Nassau Tel: (809) 394-7061
Fax: (809) 394-7062
London Telex: 44 181 599 824E.

SWISS BASED, FAMILY OWNED DIAMOND FIRM for sale, due to retirement of owners. Specialized in cutting rough diamonds for the watch industry. Main supplier to major watch and jewelry companies. For further information please contact our expert with proof of capital at P.O. Box 42, CH-8135 Lengnau i.A., Switzerland.


OFFSHORE BANKS registered in Europe. Total anonymity. No taxes or royalties. Immediate delivery for \$19,500. International Attorney S.A. Fax: +550-290 287 or +450-020 694 E-MAIL: INTATT@AOL.COM

Kallback Offers Lowest Rates Ever!

Enjoy even greater savings on international calls. Benefit from the same low rates 24-hours a day. We secure the cheapest and most reliable long distance rates from over 200 countries. Use Kallback from home, work or hotels and save.

Call now and save more today!

Tel 1-205-284-6600
Fax 1-205-282-6666
Lines open 24 hours.
Agents inquiries welcome!



417 Second Avenue West
Seattle, WA 98119 USA

Germany \$0.33
UK \$0.25
France \$0.32
Switzerland \$0.36
Sweden \$0.38
Saudi Arabia \$0.89

Call For All Rates
25% Commission
Agents Welcome!

KallMart
Tel: 1-407-717-4222 Fax: 1-407-717-6411
http://mykpm.com/kmart

YOUR OFFICE IN LONDON
Bond Street - Mail, Phone, Fax, Telex
Tel 44 171 489 8182 Fax 171 489 7617

Financial Services

FUNDING PROBLEMS?

VENTURE CAPITAL EQUITY LOANS REAL ESTATE

Long term collateral supported guarantees (Commission earned only upon Funding)

Available guarantee to secure lending for viable projects arranged by:

- writing samples etc.
- business plan
- financial statements
- personal references
- letters of intent
- contracts
- etc.

BANCOR OF ASIA

Fax (63-2) 819-8284
Tel: (63-2) 894-3388

Broker Commission Assured

PRIME BANK GUARANTEES

Vietnam Capital Finance Available for Government Projects and Government Companies that are for sale.

Large Projects can Qualify Also Long Term Finances for Large and Small Companies
No commission Unit Funded

REPRESENTATIVE
Needed to act as Liaison
Please reply in English

Financial Investments

PUBLIC SHELLS AVAILABLE. List On U.S. Stock Exchange. Tel: (810) 555-6820. FAX: (810)555-6823.
www.bsl.com E-Mail: bsl@aol.com

VENTURE CAPITAL CONSULTANTS
Investment bankers
10311 Ventura Blvd., Suite 950
Encino, California 91436 U.S.A.
Fax No.: (818) 995-1060
Tel: (818) 700-9422

Employment

General Positions Available

REPORTER
Major US media daily needs representative with an excellent understanding of the background, extensive travel & language experience and knowledge of & interest in foreign and domestic politics, social issues, & history highly placed. This independently-owned newspaper has the resources to cover significant news and events from Southeast Asia & benefit refugees. Please send resume, cover letter & three writing samples to:
Box 185, USTC, 10121 Judd Ave. 2nd floor,
New York City 10022,USA.
E-Mail: phanw@worldnet.com

OUR NEXT SPECIAL HEADLINE: REAL ESTATE IN & AROUND PARIS
(Sales and Rentals) will be appearing on Friday, November 22nd.

For more details please contact:

INTERNATIONAL HERALD TRIBUNE
PARIS Tel: (01) 41 43 95 95
or Fax: (01) 41 43 98 70
Email: chasles@ihl.com

Real Estate Services

RENT OR SELL. Brand new luxury flats in quiet areas. Parks & suburbs. Contact: Tel / Fax 433 (01) 38 65 76 96

Real Estate for Sale

Germany

MUNCH HIGH YIELD apartment house. (Agency inquiries welcome only. Tel +49 (871) 60022 Fax +49 (871) 60022

MONTE CARLO

"Le Monte-Carlo Palace"

in the hearth of Monaco, on the Casino's Place

EXCEPTIONAL APARTMENT

of 365 square meters indoor + 120 square meters terraces. Very luxury decoration with wainscots. Entrance hall, large living-room, TV room, library, large dining-room, fully equipped kitchen, 3 bedrooms, 4 bathrooms, boudoir. Extra apartment of 84 square meters in the same building. 2 parking spaces - 2 storage.

CO-EXCLUSIVITY

AFIM
ESTATE AGENTS
Tel: (377) 9320850
Fax: (377) 9325612

CAMOLETTO & Co.
ESTATE AGENTS
Tel: (377) 9320850
Fax: (377) 9325612

PARK + AGENCE
Tel: (377) 93251500
Fax: (377) 9325353

USA

THE HAMPTONS SAG HARBOR

Gracious residence situated in the heart of Sag Harbor's historic district in most prestigious location. Renowned to the highest standards (1992), conceived and executed by award winning architect Frederick Stille. The colonial revival house sits back off Main Street on a lush wide lawn surrounded by mature chestnut trees, a towering linden, alder, roodendendron, philonia etc., the landscaped garden has a state of the art irrigation system.

The house, in all 3,015 square feet, is comprised of sitting room with fireplace and French doors giving on to a terrace leading to the garden, center hall, dining room with pocket doors leading through a vestibule to a chef's kitchen with fireplace and sitting room. The kitchen is fitted with top of the line appliances designed around ash cabinetry by award winning master carpenter Shuman Peretz. Large sun filled living room/professional artist's studio leading off the kitchen. Four bedrooms, three and a half baths. Bleached oak and pine plank floors throughout. The impeccably maintained house in total move-in condition is quietly elegant, has charm and a calm bright interior. Two-car garage with motor court and driveway.

A unique opportunity in the center of The Hamptons yet away from it all in a tranquil historic village setting. Brand new to the market \$835,000 net. Color photos and further information available, kindly contact owner directly tel: 516 725 9549 fax: 516 537 5116.

GREENWICH, CT

Private, sun-filled 6 bedroom, 4 bath home, living room with fireplace, formal dining room, state-of-the-art kitchen. Great room for entertaining. Fireplace, terrace, heated pool. 2 car garage. \$1,450,000. Call Gerald Tibbets The Prudential Connecticut Realty 1-800-258-4107 USA

Between Nice and Cannes, 10 km. from airport

CHARMING HOUSE

in Marseilles

2 living rooms, 3 bedrooms, 2 baths independent apartment suitable for residents, guests or 1 professional use. Fully equipped. 3 garage parking. Tel: +33 (0) 4632 06180 Fax: +33 (0) 46373 6882

France Alps

CHALET MERIBEL - EXCEPTIONAL, on the slopes, 150 sq.m. + constructible land. Tel 33 03 69 61 52 75.

French Provinces

15 ACRES; CORNER PROPERTY. 10 minutes to Tazet International Air. Fax +41 02 721 31 81

GREAT BRITAIN



Albany, London. 11

The present mansion of Albany set back from Piccadilly was built over the period 1771 to 1774, with two ranges of Chambers behind leading to Burlington Gardens.

It is rare indeed that a freehold Set of Chambers is released onto the open market within the main Mansion itself. This Set, originally two, is located across the first floor and requires refurbishment. It has the benefit of 2 attic rooms and 2 basement cellars.

PRICE ON APPLICATION

Savills, Knightsbridge
Tel: 44 71 730 0822
Fax: 44 71 730 0644

GERMANY

Wonderful small half-timbered Hotel for sale.

Established in 1992, 14 rooms, 27 beds, on a 5,000 sq.m. plot of land on the edge of town, situated in a nature reserve in Mecklenburg-Western Pomerania near the highway B 96 between Greifswald and Stralsund, South of Rugen. Please refer to company Hans Alfred Termer, Lubeckerstr. 9 D-30159 Hannover - Germany Tel: +49-511-343931 Fax: +49-511-323398

HomeSearch UK

HomeSearch UK Ltd Ltd is search for you. We find homes / flats to buy and rent. For individuals and companies. The purchasers professional. 3 days a week. Tel: +44 171 460 6444 Fax: +44 171 460 6445 <http://www.home-search.co.uk/home>

London City Airport

Diplomats Ltd direct to City. Lady journalist seeks furnished 2 bed flat. Suitable historic building. Top security. Freshwater. Only 300 annum Charles. Good investment for 55,000. Contact: 0414 171 97 5483

ATHENS

ATHENS ACROPOLIS residence. 5 bedrooms. 3 bathrooms. 380 sq.m. 5.17 Fax: 0035242 801693

Real Estate Marketplace

Every Friday
Contact Fred Ronan
Tel: (33 1) 41 43 93 91
Fax: (33 1) 41 43 93 70
or your nearest IHT office or representative.

Greenwich, CT

Private, sun-filled 6 bedroom, 4 bath home, living room with fireplace, formal dining room, state-of-the-art kitchen. Great room for entertaining. Fireplace, terrace, heated pool. 2 car garage. \$1,450,000. Call Gerald Tibbets The Prudential Connecticut Realty 1-800-258-4107 USA

Italy

EXCEPTIONAL PARTIALLY restored country home for sale in Tuscany with tower from the 11th century and inner courtyard. Near San Gimignano. Property includes 35 hectares with great house and extensive vineyard. For sale and other unique properties in Tuscany on the Grand Canal and Tuscany Please contact The Best in Italy Inc. Fax: 35 228 8912

Monaco

MONTE CARLO

"SUN TOWER" CARRE D'OR, superb 3-room apartment, 140 sq.m. with terrace, living room, 2 bedrooms, 2 bathrooms, kitchen, see view (S)

AAGEDI

9, Bd du Lévassier, MC-9600 Monaco. Tel: 377-42 15 59 Fax: 377-95 50 19

MONTE-CARLO

Prestigious apartment 201 sq.m. + 84 sq.m. 4 bedrooms + 3 bathrooms, luxurious finishing, art view. Price: F18,000,000. We'll study all serious offers. Exclusive, DORIS IMMOBILIER Tel: +377 9205223 fax: +377 9205708 www.monte-carlo.aagedi.com

RESIDENCE MIRABEAU

LARGE & PRESTIGIOUS FLAT

273 sq.m. double living, dining room, 3 bedrooms, 3 bathrooms. Parking.

BEAUTIFUL TERRACE

MARVELOUS VIEW ON THE SEA AND THE ITALIAN RIVIERA DORTA (+377) 9325 9525.

Agence du Midi

MONTE CARLO: luxury decorated flat, 3161 foot, 225 sq.m., 7-car garage, near casino, panoramic sea view, FF16 million. Tel: (077) 93 70 40 70 Fax: 93 63 67 01

Portugal

PORTUGAL, CASCAIS Quinta de Marinha. Exclusive residential area with golf & tennis, equine, swimming pool, landscaped (250 sq.m.) 4 bedrooms, 3 bathrooms, 3 reception rooms, large Swedish kitchen, fully equipped utility room, central heating, air conditioning with extra bedroom, large swimming pool. Total property 2,720 sq.m. Lisbon 25 minutes. For sale US\$ 1,200,000. Call US (44-011) 947,8683 or Fax (44-011) 944,7167

MARBLE: Well made property in Portugal for sale. Tel: BRUSSELS (+32-9) 707,8408

PORTUGAL, LUXURY HOME on private plot. Tel: +488 59 03 02 00 or Fax +488 59 03 02 05

Switzerland

LAKE GENÈVE & ALPS
Sale to long-termers authorized on speciality since 1976

Attractive properties in MONTREUX, VEVEY, VILLARS, DAMBLESCHET, CHAM-BRENTA, etc. 1 to 5 bedrooms, CHF 200,000 to 3.5 mli. REVAC From 8,975

St. Moritz, CH-2211 Geneva 2 Tel: 4129274 15 40 Fax 74 12 29

Paris and Suburbs

St. LATHY QUARTER, nr the Moutonville High class ready to move-in 48 sq.m. superb centrally located in residential building with concrete and interior. Fully furnished living room with antique fireplace, bedroom, bath, kitchen & high 1st floor sunny, calm area, near public station & synagogue. FF1 million. Tel: +33 (01) 69 63 03 05 Fax 69 63 07 14

FOCH - FACING SOUTH

SPLendid 285 SQ.M. APARTMENT
Triple reception, 3 bedrooms, 3 baths + studio, master's room, garage. Tel: 01 47 77 80 00

15 km south PARIS. Maison de maître, 2400 sq.m. enclosed wooded land. 500 sq.m. every space + 150 sq.m. possible. All comforts, office + 200 sq.m. storage, studio, garage. Tel: 018304 2300.

10th CANAL ST MARTIN, charming 22-room flat, high class, 70 sq.m., view, equipped kitchen, perfect condition. Collet, parking, caretaker. Central. FF1,500,000. Messages: (01) 4201 0165

60 km PARIS, idyllic site, fine house + 3-room flat on north, big plot. FF30M. Tel: 01 57177494 Tel/Fax (33-2) 732075

16th SOUTH, top floor, view of PARIS, 110 sq.m. 3 bedrooms, 2 baths, parking. FF1,200,000. Tel: 01 47 82 32 32

USA Residential

BARGAIN PALM BEACH MANOR! Mint condition. Confidantly available. Fax USA: 861-845-1768

FLORIDA-FT. LAUDERDALE OCEAN VIEW PENTHOUSE

180 sq. m. Condominium, Fully Furnished, Great Location! US\$ 385,000. Owner financing available. Call Gers at +1-404-329-2525. Mon-Fri 9am-5pm N.Y. Time or 14-00-5200 Europe Time. Tel: +1-404-329-2525. Email: ggers@home.com or ggers@home.com

MAIR BEACH Modern-luxury Waterfront home, 24 car garage, 2000-SF, 444, 1000 sq. ft., great view, Grand, Ready-to-move-in

10/11/50

EUROPE

Stomping on the Beetle

German Book Looks at Volkswagen and Nazis

By Alan Cowell
New York Times Service

BONN — Fondly, they baptized it The Beetle. Over the years, more than 21 million were sold across the globe — funky, lumpy, never too fast, as much an emblem of a nation on new wheels as a Model-T Ford or a Citroën 2CV.

As of today, though, the late Volkswagen Beetle, founding success of Europe's biggest automaker and sometime symbol of German economic grit, will be laden with far more historical freight than it was designed to carry. A new, 1,000-page book by one of Germany's eminent historians subjects the Volkswagen company to detailed inspection from its founding as an economically dubious pet project of Hitler, to its munitions production during World War II and to its brutal wartime use of slave labor, including Hungarian Jews from the Auschwitz, Dachau and Bergen-Belsen concentration camps.

The book, by Hans Mommsen, was funded to the tune of \$2 million by the Volkswagen company itself, placing The Beetle firmly in the self-scrutinizing historical annals of a nation that, no matter how much it would prefer to look to the future, can never wish away its past or overcome the urge to come to terms with it.

Once, said Der Spiegel magazine, the Volkswagen Beetle, last produced in Germany in 1978, was "the symbol of the federal German economic miracle."

In the just-published book, "Volkswagen and Its Workers During the Third Reich," Volkswagen's history emerges as "the chaotic product of technocratic obsession and dictatorial madness," the newsmagazine said.

According to the book's publishers, Econ Verlag, the tome may have broken new ground in giving a closely woven picture of a major industrial group and its relationship with a vicious dictatorship that gave as much latitude to its favorites as it delivered pain to its victims.

Indeed, its publication coincides with a wave of introspection about their history among Germans provoked in part by another book, "Hitler's Willing Executioners," by the American academic Daniel Goldhagen, which has been lambasted by Mr. Mommsen and others for suggesting that the Nazi extermination of the Jews was a "national project" among Germans.

The story of The Beetle begins with Ferdinand Porsche, then a disgruntled former em-

ployee of Daimler-Benz, whose postwar chroniclers have built a more flattering picture of a man whom the book condemns as "morally indifferent" to the use of slave labor.

Rejecting the common wisdom of the prewar German auto industry, but with an eye to Hitler's foibles, the book says, Mr. Porsche insisted that the dictator's vision of an affordable car for all Germans was technically feasible.

"Porsche belonged to those professionals who were determined at any price to use the undreamed-of productive space that the regime suddenly made available for them, without questioning the prevailing political conditions," Mr. Mommsen's book said.

Mr. Porsche — who designed the eponymous, postwar sports car — joined the Nazi party in 1937 but seemed indifferent to its ideological significance. "He walked through the crimes like a sleepwalker," Mr. Mommsen said.

In German, the word Volkswagen means "People's Car." Displaying his support for the project, Hitler himself briefly eschewed his favored Mercedes to ride in a prototype Volkswagen Beetle when the first plant was opened in Lower Saxony in 1938.

Following the outbreak of war in 1939, the plant was turned over to military purposes, producing V-1 rocket parts, anti-tank missiles, land mines and a military jeep built onto the chassis and engine of the original Beetle prototype.

When American troops occupied the plant on April 14 and 15, 1945, Hungarian Jewish slave laborers were still working there — survivors from thousands who had been pressed to work there in threadbare clothes, living on inadequate rations in crude barracks.

The book's publication has played into other controversies.

Mr. Mommsen sought to play down as "a huge misunderstanding," claims by the present-day head of Volkswagen, Ferdinand Piech — a grandson of Mr. Porsche's — that the book had been changed to besmirch his family. Mr. Piech's father, Anton Piech, was Mr. Porsche's son-in-law and the wartime Volkswagen chief executive.

Additionally, Klaus Kocks, a Volkswagen spokesman, said he hoped the book's depiction of the company's inglorious past would not be used by Volkswagen's adversaries in its current acrimonious legal dispute with General Motors.

"You don't sell cars with things like this," he said.



NO EXIT — Truckers protesting high diesel fuel prices blocking an avenue to Paris on Thursday.

Carnaby Street Goes Home

Agence France-Press

LONDON — Carnaby Street, the city's trendiest thoroughfare in the "swinging '60s," was bought Thursday for £90 million (\$144 million) by Shaftesbury, the British real-estate company.

Shaftesbury also owns large parts of the Chinatown and Covent Garden districts, with 120 shops and restaurants.

The Dutch company Wereldhave had hoped for £70 million when it put the street on the market in September.

In Toulouse, High Culture Flourishes With High Tech

By Craig R. Whitney
New York Times Service

TOULOUSE, France — "The paradox of Toulouse," Mayor Dominique Baudis says of this southern French city of 600,000 people, "is its combination of one of the most complete heritages from the past and the most advanced technology in all of France, all in the same place."

France may eventually bankrupt itself trying to keep up at both ends of the time scale, but the results here are unusual.

At the high-tech end, near the city's airport, two huge aircraft makers, Airbus and Aerospatiale, dominate a Silicon Valley-like landscape.

At the historical end, in the ancient streets of the center of the city, rises the terraced spire of the 12th-century Romanesque Basilica of St. Sernin, the most celebrated of a cluster of churches and monasteries that made Toulouse a major stop on the medieval pilgrimage route to the shrine of St. James of Compostela.

For two weeks in October, the two faces of the city turned toward a celebration of musical instruments that were at the summit of the art of mechanical engineering until the Industrial Revolution — namely, the historic pipe organs in St. Sernin and a dozen other city churches — with the first international organ festival of Toulouse.

"We worked on this festival for 20 years," said Mr. Baudis, 49, before the final concert.

"My thinking was that we had 20 historic organs in the city, more than in any other city in France, and that we ought to make the most of the legacy. I wanted this festival to be for the organ what the Salzburg Festival is for the opera."

At least 10,000 people came to the festival's 21 concerts, paying \$17 a seat at most of them. Both the city and the national government also contributed millions of dollars to repair or restore a dozen of the historic organs.

Just to restore the famous three-keyboard, 54-stop instrument in St. Sernin, a symphonic organ built by Aristide Cavaille-Coll in 1890, cost the equivalent of \$720,000, evenly divided between city and state, said Jan Willem Jansen, one of the church's organists, who also helped run the festival.

Thanking the mayor for the city's support, Mr. Jansen said the festival would be repeated next year. "The organ is, if not exactly a marginal instrument, one that needs, perhaps, a second wind these days," he said.

They do not build organs in Toulouse these days, but airplanes have figured importantly in the city's economy ever since the days

when the author Antoine de Saint-Exupéry was a pilot based here.

Airbus Industrie, a consortium of four European aviation companies, is working on the design for a new plane to succeed the Boeing 747, currently the largest jumbo jet.

Aerospatiale, which owns 37.9 percent of the consortium and does the final assembly of most Airbus planes here, is planning to merge with the privately owned Dassault Aviation as a publicly held company next year.

Under pressure to compete more efficiently, it has reduced the size of the labor force by 17 percent over the past three years, mainly by attrition, and unemployment in the Toulouse area is now about the same as the French national average — 12.5 percent.

"We don't know yet if the merger will bring further cuts, but everybody is nervous," said a union official, who asked not to be identified.

But in this city, people recognize that technological advances sometimes have their limits. The organ restorers at St. Sernin, Jean-Loup Boisseau and Bertrand Catiaux collaborated in a partly unsuccessful attempt to computerize the mechanical parts of the organ at Notre Dame Cathedral in Paris in 1992. Here, they left well enough alone.

Yeltsin Overturns the Revolution

By Lee Hockstader
Washington Post Service

MOSCOW — For more than seven decades, Russians have celebrated Nov. 7, the anniversary of the 1917 Bolshevik Revolution, by staying home from work, staging red-banner parades and, often as not, by getting rip-roaring drunk.

President Boris Yeltsin, however, decreed Thursday that Russians could go on celebrating Nov. 7 as a holiday, but no longer as the anniversary of revolution. In his first official act since reclaiming presidential powers Wednesday following his heart surgery, Mr. Yeltsin signed an order from his hospital bed that changed the name of the holiday from "Revolution Day" to the "Day of Accord and Reconciliation."

Noting that the revolution "turned into a tragedy that produced millions of victims," Mr. Yeltsin's decree said the anniversary would be renamed "in the interests of unity."

"To this day our people are divided into reds and whites," he said, referring to the sides in the civil war that followed the Bolshevik uprising. "It is time to put a stop to this. We have one Russia, and we must be united."

Mr. Yeltsin's doctors, meanwhile, continued to report that the president was recovering steadily from his seven-hour, quibble-bypass operation Tuesday. On Thursday, he met for 15 minutes with Anatoli Chubais, his chief of staff. The Kremlin quoted the doctors' report as saying that "the patient is active, sits, stands up, walks within the ward and fed himself breakfast."

While doctors have warned that complications may still arise in the postoperative period, Mr. Yeltsin's recovery has proceeded without a hitch, they say.

Although Mr. Yeltsin's decree was issued in the name of social harmony, it also signaled that the Russian leader was willing to chip away at the vestiges of communism's hold on the Russian psyche.

Russian state-controlled television reinforced the thrust of the decree with a heavy-handed dose of propaganda on the evening news broadcasts. A flowery commentary noted that France, Spain and Germany had managed to put their own revolutions behind them, relegating memories of upheaval to a few handsome monuments.

The patriarch of the Russian Orthodox Church, Alexy II, also lent his support to the president's decree, saying, "This is just what we need right now, to bring people together, to bring generations together."

Word of the decree came as thousands of mostly elderly Communist demonstrators staged their annual march in Moscow and other cities to mark the 79th anniversary of the coup that brought the Communists to power. The marchers' numbers dwindle steadily each year, but their spirit is undiminished.

The Communist leader, Gennadi Zyuganov, whom Mr. Yeltsin defeated in the presidential election, sneered at the president's order. "It's useless to reconcile people by decree," he said.

BRIEFLY EUROPE

Denmark's 'Blunder'

COPENHAGEN — A Danish leftist party holding pivotal seats in Parliament withdrew Thursday its threat to help overthrow the minority government over an attempt to block a visit by the British author Salman Rushdie.

The leader of the Socialist People's Party, Holger Nielsen, told the daily Det Fri Aktuelt that he was now satisfied the center-left coalition government acted out of incompetence rather than over a secret political agenda in seeking to put off the trip by Mr. Rushdie.

Mr. Nielsen said, "A blunder is not something on which we would topple the government."

Prime Minister Poul Nyrup Rasmussen's political opponents initially suspected that the government's claim that it could not guarantee Mr. Rushdie's security if he went ahead with plans to visit Denmark could have been an effort to appease Iran, which has issued a death sentence against the writer.

(Reuters)

Volcano's Costly Damage

REYKJAVIK — Iceland on Thursday put the estimated damage bill from flooding caused by a subglacial volcano at about \$16.5 million, and scientists warned that more eruptions were possible in the remote area.

The flow from a lake under the Vatnajökull glacier, the largest in Europe, was returning to normal two days after a torrent of black sulfurous water and debris flooded an uninhabited plain, media reports said. The torrent pushed hundreds of huge chunks of ice that smashed bridges and swept away power lines and parts of a coastal ring road.

Hreinn Haraldsson, director of research and development at the Public Road Administration, said temporary bridges would be built to restore traffic.

(Reuters)

Iliescu Faces Challenge

BUCHAREST — Suggesting that President Ion Iliescu has failed to introduce full democracy, his main political opponents joined forces Thursday to try to dump the former Communist.

"Our majority will mean a government of real reform and democracy, civilization and normality," said Emil Constantinescu, who faces Mr. Iliescu in a runoff election Nov. 17. His victory would mark the biggest political change since 1989, when the Communist dictator Nicolae Ceausescu was overthrown and killed.

Final first-round results released Thursday showed that Mr. Iliescu won 32.2 percent of the vote last Sunday. Mr. Constantinescu had 28.2 percent.

Mr. Constantinescu's Democratic Convention and the Social Democratic Union, led by Petre Roman, together won a slight majority in parliamentary elections, also held last Sunday. On Thursday, Mr. Constantinescu received Mr. Roman's endorsement for the runoff election.

(AP)

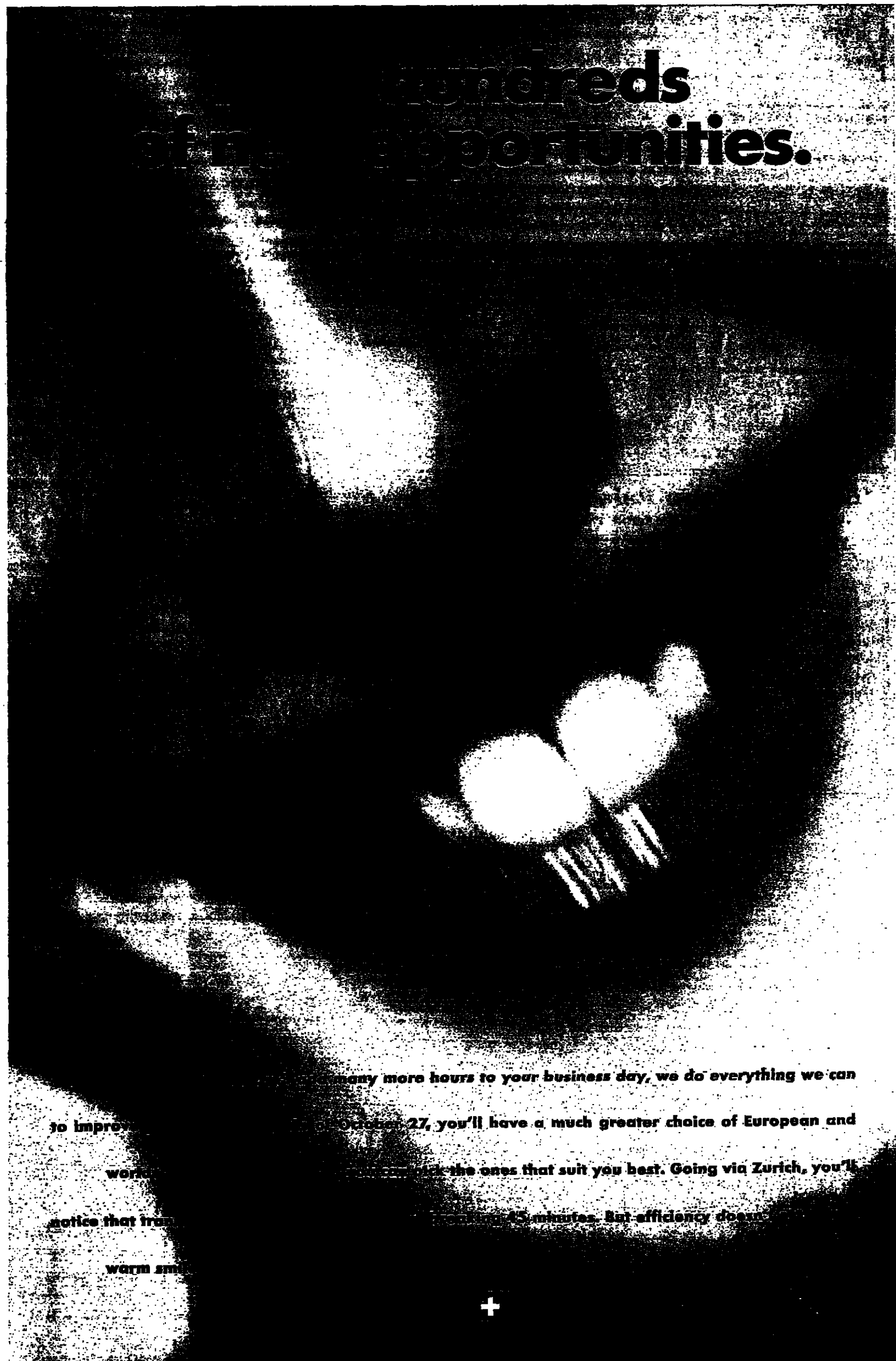
Fire in Lisbon City Hall

LISBON — A fire raged through the Lisbon city hall on Thursday, destroying the roof and heavily damaging the upper floors of the 19th-century building.

Mayor Joao Soares said that all the employees had been evacuated and that there appeared to have been no victims.

Fire officials said they were not sure how the fire started, but indicated that the origin might have been in some decorating work on the top floor.

(AP)



many more hours to your business day, we do everything we can

to improve... October 27, you'll have a much greater choice of European and

world... the ones that suit you best. Going via Zurich, you'll

notice that from... minutes. But efficiency does

worth...

هكذا من الامارات

ASIA/PACIFIC

Pakistan Economic Shift

Reuters
ISLAMABAD, Pakistan — The caretaker government will turn over charge of Pakistan's ailing economy to a World Bank executive who was a stern critic of former Prime Minister Benazir Bhutto's policies, officials said Thursday.

Javed Burki, a World Bank vice president, will be adviser to the Finance Ministry but in charge of finance, economic affairs and planning, a senior government official said. Mr. Burki is a Pakistani national.

"He is going to join the government," the official said. "He will be adviser for finance, economic affairs and planning, and be effectively in charge of these divisions of the government."

Under World Bank rules, Mr. Burki, who would take temporary leave from his post at the Washington-based development bank, could not accept the position of finance minister, said the official, who asked not to be identified.

The official said there was no need for a finance minister in the interim government, which took office on Tuesday after Miss Bhutto's government was abruptly dismissed by President Farooq Leghari, who set general elections for

Feb. 3. That would give Mr. Burki less than three months to try to turn around the economy, saddled by burdensome debt, a burgeoning trade deficit and high inflation.

It was not the first time Pakistan has looked to the World Bank's ranks for expertise. In 1993, Moeen Qureshi, like Mr. Burki a Pakistani national and World Bank executive, served as interim prime minister, swiftly putting together a loan agreement with the International Monetary Fund. Critics of Mr. Qureshi say the loan was tied to an austerity plan that proved too ambitious and stirred resentment.

Mr. Burki sharply criticized Pakistan's economic management in a recent series of interviews and articles in which he analyzed what he called a dozen "faultlines" in the economy, including the budget deficit and rapid population growth.

Mr. Leghari, meanwhile, dismissed the government of Pakistan's most industrialized province on Thursday as tremors from the ouster of Miss Bhutto reverberated through the political system.

Acting on Mr. Leghari's order, the governor of the southern province of Sindh, Kamal Azfar, dissolved the

local Parliament and dismissed the government, his spokesman said in Karachi.

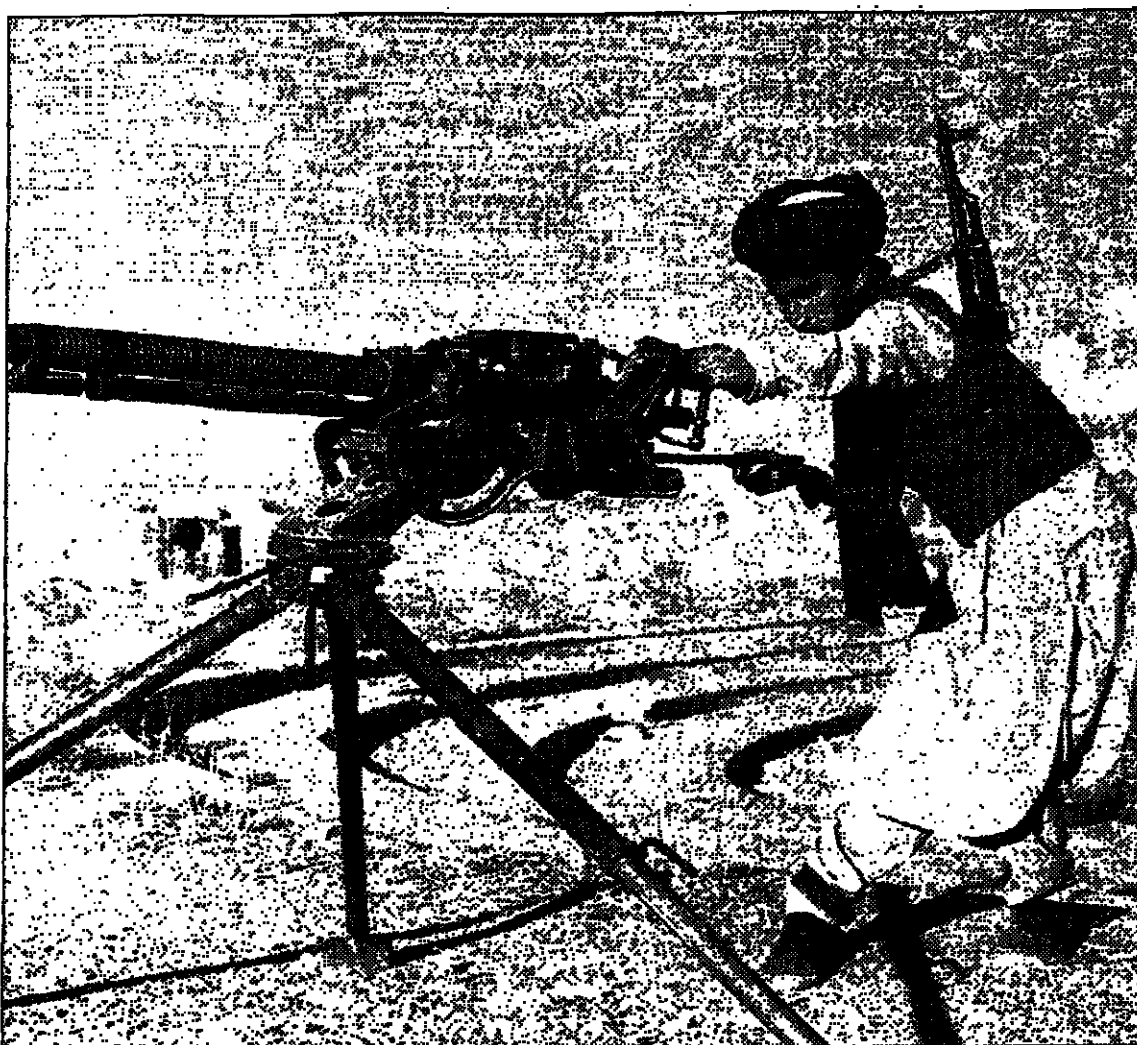
Miss Bhutto's ancestral home is in Sindh, where the financial capital, Karachi, is situated. The city has been torn by sectarian violence.

The Sindh governor named Mumtaz Bhutto, an uncle of Miss Bhutto's, as the province's caretaker chief minister. He replaces Abdullah Shah of Miss Bhutto's Pakistan People's Party, whose dismissal came two days after his party's leader was removed by Mr. Leghari on disputed charges of corruption and misuse.

Governor Azfar's spokesman said the reasons for the dismissal of the Sindh assembly were similar to those cited by Mr. Leghari on Tuesday in a scathing order against Miss Bhutto.

Mr. Leghari had justified his dismissal of Miss Bhutto's government on the grounds that it was paralyzed by corruption, nepotism and misrule and had allowed security forces to kill "thousands of people" in Karachi and elsewhere.

In another development, Pakistan said Thursday that its basic principles of foreign policy would not be altered by the ouster of Miss Bhutto.



A Taliban fighter adjusting his machine gun on a hilltop position overlooking Kabul on Thursday. Taliban controls key points around the Afghan capital, though opposition forces are closing in.

Afghan Rivals Meet and Hold 'Good' Talks On Cease-Fire

Compiled by Our Staff From Dispatches

ISLAMABAD, Pakistan — Afghanistan's two warring factions sat across a negotiation table Thursday at a United Nations office in Pakistan.

The UN special envoy, Norbert Hol, who brought together leaders of Afghanistan's radical Islamic Taleban militia and a northern opposition alliance for cease-fire talks, said afterward that the meeting had been "good" and "a landmark."

But he said the talks between Mohammed Ghous, Taleban's acting foreign minister, and General Payda, a representative of Afghanistan's powerful northern warlord, General Abdul Rashid Dostum, had not produced any immediate result.

"If I say it was a good meeting it doesn't mean it was an easy meeting," Mr. Hol said. "It was not an easy meeting."

"It was a landmark," he continued. "We managed to invite both sides under the auspices of the UN to come together."

The two sides are far apart on the critical question of a cease-fire, however.

Mr. Hol said that Taleban was prepared to withdraw its troops and heavy weapons from Kabul if a cease-fire agreement could be reached and that the Islamic warriors did not intend to continue "to rule Kabul like a military outpost" after a cease-fire.

Taleban accuses that "all heavy weapons and soldiers have to be withdrawn once a cease-fire is signed," Mr. Hol said, stressing that differences continued to exist between the warring parties over the key issue of demilitarizing Kabul and posting a neutral security force in the Afghan capital.

General Dostum's representative reiterated demands that Taleban withdraw from southern Kandahar, about 400 kilometers (240 miles) from Kabul, before a cease-fire.

Taleban has refused, insisting that its opposition first withdraw its troops, now about 15 kilometers north of Kabul, to about 300 kilometers north.

"At this phase of the bargaining each party is putting their stakes as high as possible," Mr. Hol said. "There are indications that we can bring them together at least much closer than they are now."

(AP, Reuters, AFP)

Cyclone in India Kills 300 People

Reuters
HYDERABAD, India — The death toll from a cyclone that struck India's major crop-growing state of Andhra Pradesh has climbed to nearly 300, state-run Doordarshan television said Thursday.

"This is the worst cyclone in 10 years," said H.S. Brahma, the chief state official coordinating relief operations.

The storm, with winds of between 100 and 120 kilometers an hour (60 and 75 miles an hour), struck the southeast coast Wednesday evening, flattening homes, destroying crops and cutting transportation and communication links. But it appeared to be weakening Thursday.

Malaysia to Block Conference In Capital on East Timor

KUALA LUMPUR — Deputy Prime Minister Anwar Ibrahim said Thursday that Malaysia would block human-rights groups from holding a planned conference on East Timor here in the capital.

But the organizers of the second Asia-Pacific Conference on East Timor warned that the action would tarnish Malaysia's image as a nation that opposed oppression.

Mr. Anwar said the government would seek all legal avenues to prevent the three-day meeting, scheduled for this weekend, from taking place. "Malaysia should not interfere with Indonesia's domestic problems," he said.

(Reuters)

Seoul Calls Off Manhunt

SEOUL — South Korea called off a manhunt on

Thursday for the last North Korean agent still missing after a submarine landed a group of 26 North Koreans in September, a military spokesman said.

"All troops mobilized to weed out armed infiltrators have returned to their units," the spokesman said. He said routine military checks would continue near the North Korean border. The operation began on Sept. 17, when the North Korean submarine ran aground off the eastern city of Kangnung.

A senior officer said: "The one missing might have died already. Continuing a huge operation to look for him is believed to be ineffective management of troops." The manhunt involved about 40,000 South Korean troops at its height. Officials have said that of the original 26 infiltrators, 13 were shot and killed, one was captured and 11 others killed themselves.

(Reuters)

Freed Dissident Defies Beijing

BEIJING — A cancer-stricken dissident released from prison before the U.S. secretary of state's visit to China will not seek medical treatment abroad despite

official requests that he do so, his sister said Thursday.

Prison authorities paroled Chen Ziming on Wednesday, his second release for medical treatment while serving a 13-year sentence for instigating the 1989 pro-democracy demonstrations centered on Tiananmen Square.

Coming just a week after China sent one of the movement's student leaders, Wang Dan, back to prison for 11 years, Mr. Chen's release seems timed for maximum political impact.

Secretary of State Warren Christopher is expected in Beijing in less than two weeks. China's human rights record is on the agenda of his talks with Foreign Minister Qian Qichen.

"These events are interrelated," Mr. Chen's sister, Chen Zihua, said Thursday.

Wang Junao, who, along with Mr. Chen, was accused of being a "black hand" or organizer of the 1989 protests, said: "They released Chen Ziming just as President Clinton was re-elected. I think they want to send a very important signal to the U.S. government."

But the Foreign Ministry said Mr. Chen's release and Mr. Christopher's visit were unrelated.

(AP)

Australian Admits to 35 Killings

Compiled by Our Staff From Dispatches

HOBART, Australia — Through nearly uncontrollable laughter, Martin Bryant pleaded guilty Thursday to murdering 35 people in a shooting rampage at a Tasmanian tourist spot.

Dropping his previous plea of not guilty, Mr. Bryant admitted to the attack on April 28, in which he opened fire with assault weapons on tourists at the picturesque Port Arthur colonial prison.

The guilty pleas mean Mr. Bryant, 29, will not be tried and will probably spend the rest of his life in prison or a mental institution. Australia does not have a death penalty.

Mr. Bryant smiled as he entered the dock, then occasionally broke into a grin as he surveyed weeping relatives of victims and survivors seated close by.

When some of the 72 charges were announced in Tasmanian Supreme Court, Mr. Bryant laughed so much he had trouble saying the word "guilty" and had to be hushed by his lawyer.

He laughed mutely after he pleaded

guilty to murdering the youngest victim, the 3-year-old Madeline Mifkac. Several family members of victims broke down in tears during the laughing fit.

"At least the victims and their families and other witnesses will not have to suffer the additional trauma of a full trial," said the Tasmanian attorney general, Ray Groom.

Mr. Bryant pleaded guilty to 35 counts of murder, 20 counts of attempted murder, 3 counts of causing grievous bodily harm, 8 counts of wounding and 6 other charges.

Chief Justice William Cox set the next hearing in the case for Nov. 19, when witnesses will testify on Mr. Bryant's background and mental state.

Mr. Bryant began the rampage by killing the two elderly proprietors of a tourist lodge near Port Arthur, south of Hobart, capital of the island of Tasmania.

He went next to the colonial prison, where he gunned down 32 tourists and workers. No motive has been established for the attack.

(AP, Reuters)

Missing Kim Wife Reported in China

The Associated Press

SEOUL — An estranged wife of Kim Jong Il, the North Korean leader, whose recent disappearance raised speculation of her possible defection to the West, is living in Beijing, a news report in Seoul said Thursday.

Sung Hae Rim, 59, vanished from her Swiss villa in February. South Korean media reported — and officials once acknowledged — that she was seeking asylum in the West.

SBS, one of the three major South Korean television networks, said Thursday that she was living in a villa that North Korea bought for her in a suburb of Beijing.

She told SBS in a phone interview that she has been living there since April.

Mr. Kim is reported to be living with his third wife.

INTERNATIONAL CLASSIFIED

Escorts & Guides

ATLANTIC
INTERNATIONAL TOP MODELS
SILVER GOLD PLATINUM SERVICE
NEW YORK
EVERY MAJOR CITY USA CANADA
++ (1) 212 785 1919

LONDON PARIS
EVERY MAJOR CITY WORLDWIDE
++ 44 (0) 7000 77 04 112233

http://www.escort-london.co.uk/directory.htm
E-MAIL: info@escort-london.co.uk

BELGRAVIA

ORCHIDS

LONDON - PARIS
THE FINEST & THE MOST SINCERE
18 - 30 INTERNATIONAL
BEAUTIFUL & ELEGANT STUDENTS
SECRETARIES, AIR HOSTESSES &
MODELS
AVAILABLE FOR ALL OCCASIONS

BEVERLY HILLS

NEW YORK

SERVICE WORLDWIDE
Escort Agency Credit Cards Welcome
TEL: LONDON ++ 44 (0)

0171 589 5237

EUROPEAN MODEL

worldwide, most exclusive Escort Service
PARIS-LONDON-AMSTERDAM
STOCKHOLM-GOTTENBURG-BERLIN
GENEVA-ZURICH-MILANO-MADRID
ISTANBUL-CYPRUS-ATHENS-ROME
DUBAI & Abu + CARACAS-OTOMBO
VENICE-SECURE-ACCREDITED & whole
GERMANY + UNITED STATES + ASIA
Reserve models from 8:00am to 7:00pm
Office Europe: ++43 884 340 51 68
Office New York: 212 257 3553 cards

BRUSSELS

V.I.P.

First Class Escort Service in the Capital
of Europe. Any style any language avail-
able for all occasions: dinners, evening
parties, weekends, welcoming at the air-
port & limousine with driver. All credit
cards accepted. 24/24, 7 days a week.
PHONE: ++32 (2) 646.36.80
FAX: ++32 (2) 646.71.88
E-mail: info@brussels.vip@netboard.be

INTERNATIONAL ESCORTS

World's First & Most Exclusive Service
Model, Beauty Queens, Actresses
Multilingual Travel Companions
Hdpts. 212-785-7896 NY, USA
Service worldwide. Credit cards, checks
accepted. View videos & photos in office.

LONDON'S MOST EXCITING 24 HR

INTERNATIONAL ESCORT SERVICE

VENUS IN FURS

0171-582 7000
All cards + Advance bookings welcome

STARLETS & ACTRESSES
MILAN-ROME-COTE D'AZUR-PARIS
MADRID-BRUSSELS-MUNICH-FLYING
LUGANO-LONDON Escort Service
Tel: +39(0) 335 822286. Credit cards.

"PRETTY WOMAN"

TOP INTL PRIVATE ESCORTS
MILANO & ROMA ++39 0225277
MUNICH ++49 89 722 00270
LONDON & PARIS ++44 0171 531101
Travel Service all Europe & N. East.

"SWITZERLAND & GERMANY"

Tel: ++41-60-427 26 27
Zurich-Geneva-Saint-Basle-Paris-Lyon
NICE LONDON - BRUSSELS
COSMOS Escort Agency, Credit Cards

ISABELLA AQUINAS

PRIVATE ESCORT SERVICE
TEL: LONDON 0171 498 5786

TUTTI FRUTTI ESCORT AGENCY

Call London 0171 388 051
EXCEPTIONAL SUPERMODELS
FOR ALL OCCASIONS

HERD'S HIGH SOCIETY-VIENNA-PARIS

COTE D'AZUR & ZURICH + GENF
International Escort & Travel Service
Vienna ++43-1-554104 all credit cards

THE ULTIMATE ESCORT SERVICE

LONDON HEATHROW
TEL: 0171 548 0857

ARISTOCATS Escort Service

3 Grosvenor St. London W1
0171 258 0080

CHELSEA ESCORT SERVICE

51 Beauchamp Place, London SW1
Tel: 0171-581 6513

ANNE MARIE ESCORT SERVICE
and Owner Data Service London
0171 355 0722

EUROCONTACT INTL ESCORTS
PARIS-STOCKHOLM-BRUSSELS
RIVERMILAN-ROME-VIENNA
GENEVA-ZURICH whole GERMANY
Call Service Vienna ++43-1-21234 31

GENEVA PRETTY WOMAN
BASEL LAUSANNE MONTREUX
Call 022-264 02 82 Escort Agency
ZURICH LUZERN 01482334

BLACK ORCHIDS ESCORT SERVICE
Stunning, classy models London
0171 570 7779 Credit cards

CALÉ AMANDA
ESCORT SERVICE
0171 371 1147056 822654

Charles English Model
1st Class Escort & Travel Service
0171 337 4761

DISCREET LONDON 24 HOURS
ESCORT AGENCY
TEL: 0171 723 1681

"EXECUTIVE CLUB"
LONDON ESCORT SERVICE
TEL: 0171 722 5008 Credit Cards

FRANKFURT-COLOGNE-DUSSELDORF
WESBADEN-MANZ-HEIDELBERG
Gen's Escort Service ++49(0)171-531185

"HIGHLIGHTS"
FRANKFURT INTL ESCORT SERVICE
PLEASE CALL: 069 / 65 98 20

JASMINE'S ESCORT SERVICE
LONDON 0171 835 0554
CREDIT CARDS ACCEPTED

LONDON HEATHROW GATWICK
JAPANESE ESCORT SERVICE
0855 525420896 401164

MICKY Charmante, Beautiful
Private Escort Service
Kensington 0171 732 0881

"SANDY" - Warm & Friendly
Private Escort Service, London W1
Tel: 0171-583 5225

TANYAS-PRIVATE ESCORT SERVICE
BLACK, Beautiful, Elegant & Educated
London/Heathrow 0181-500 2261 Cards

VIENNA'S BEST ESCORT SERVICE
Friendly, elegant, attractive, serving
Fraga & Vienna ++43 (1) 535044

AMSTERDAM - DREAMS + ESCORTS
Owner Data Service for Men and Her
+31 (0) 20-64 02 111 / 04-02 555

Probably has been beaten in the world.

سكس في الامم

INTERNATIONAL

Serbia Is Suspected
Of Arming Libya

Envoys Convinced by a Jet Crash

By Chris Hedges
New York Times Service

BELGRADE, Serbia — For three hours last August, a lumbering Russian transport plane, its lights and instrument panels shut down in a power failure, desperately circled low over Belgrade until it crashed as it made an emergency landing at Surcin International Airport.

Shortly after the Il-76 plowed into a nearby cornfield, a series of secondary explosions illuminated the night sky, witnesses said. Well-armed Serbian police immediately cordoned off a wide area around the crash site. And when the Russian ambassador arrived at the airport he was denied entry, although 11 Russian crew members lay dead in the wreckage.

Western embassies, drawing on carefully guarded intelligence sources, concluded recently that the plane was on its way to the Mediterranean island of Malta with a clandestine military cargo bound for Libya — a violation of sanctions that the United Nations imposed on Libya for its refusal to extradite suspects in the December 1988 bombing of Pan Am Flight 103 over Scotland.

Western diplomats have determined that this cargo was only one of several sent covertly in the last few months to Malta and on to Libya by government-run Serbian arms manufacturers.

Libya and Yugoslavia have a long history of arms dealing, a senior European military official said, and this continued after the breakup of Yugoslavia and even during the war directed against the Muslims by the Serbs. But we had managed to get Belgrade to shut down most of this trafficking of arms. Now the pipeline is open again.

American officials said they had quietly told senior Serbian officials that they were "concerned" about the arms dealing with Tripoli and wanted it stopped. But Washington has stopped short of directly blaming Slobodan Milosevic, the Serbian president who is now considered a key American partner in the Balkans, for the arms trafficking.

"Sometimes," a senior Western diplomat said in defense of the Serbian nationalist, "the right hand here does not always know what the left hand is doing."

Serbian officials deny that they are involved in arms shipments to Libya.

But a major Serbian arms dealer, who agreed to speak on the condition he not be identified, acknowledged that he and other senior arms industry managers had flown to Tunis in July and driven overland to Tripoli for a meeting with Libyan officials. The Serbian refused to say what

was discussed at the meeting or whether any arms deals had been negotiated.

Western officials, both here and in Washington, were unable to say how extensive the trafficking was or exactly what types of weapons were involved. They said that the cargo on the Russian transport had been relatively innocuous and included crates of military flares to decoy heat-seeking missiles, tires for fighter planes and other spare parts.

Belgrade has reopened the arms trade with Libya to bolster its sagging arms industry and, perhaps, to continue the barter arrangement Belgrade had set up before the war to receive Libyan oil.

The Yugoslav arms industry, once one of the largest in Europe, has been badly hurt by the imposition of economic sanctions during the war and by a lack of foreign investment.

Ties between the Libyans and Yugoslavs date back to the mid-1970s, when Belgrade became a major exporter of arms to the North African nation. The Yugoslav arms industry, which sold \$2 billion worth of weaponry abroad in the 1980s, did \$600 million worth of trade each year with Libya. The arms transactions declined with the outbreak of the war in Bosnia in 1992, according to former Yugoslav Army commanders.

Libya was a special country for the Yugoslav arms industry, said Martin Spogelj, a retired lieutenant general who lives in Zagreb.

"The Libyans bought planes from the Soviet Union," he said, "but Yugoslavia trained all the pilots, the maintenance teams and the ground crews. We sent many Yugoslav pilots to fly for the Libyan Air Force. The Libyans bought a wide variety of weapons from Yugoslavia, including all types of infantry weapons, heavy 122-millimeter and 152-millimeter howitzers, ammunition, multiple rocket launchers, tanks and armored personnel carriers. All these transactions were secret."

Since war erupted in Yugoslavia, Malta has been a staging area for Libyan efforts to evade sanctions. Western diplomats say. The UN sanctions forbid the export of military equipment, spare parts, weapons or ammunition. In New York, a diplomat said no country had reported any possible Yugoslav violations to the UN sanctions committee.

New Top Peacekeeper

A U.S. four-star general, William Crouch, officially took over Thursday from Admiral T. Joseph Lopez of the U.S. Navy as commander of the NATO-led peacekeeping force in Bosnia. Agence France-Presse reported from Sarajevo.

U.S. Accuses UN Chief
Of Political MeddlingBy Barbara Crossette
New York Times Service

UNITED NATIONS, New York — Losing no time after the presidential election to step up a campaign to deny Boutros Boutros Ghali a second term as secretary-general of the United Nations, the Clinton administration has accused him of interfering in U.S. politics by pressing his case in Congress.

An adviser to Madeleine Albright, the chief U.S. delegate to the United Nations, said that Mr. Boutros Ghali had been telephoning members of Congress in an act of "gross interference in domestic politics and the normal functioning of American foreign policy."

American officials said the secretary-general had asked members of Congress to appear at a news conference in support of his candidacy.

The charges were made Wednesday on the eve of a call for a change in administration policy by Senator Paul Simon, Democrat of Illinois, who is retiring from the Senate this year.

Mr. Simon, who has been a strong supporter of the secretary-general's, said in an interview that the "gross diplomatic blunder" was the administration's, not Mr. Boutros Ghali's.

In a statement for a Washington news conference, Mr. Simon said, "The community of nations is virtually unanimous in reacting negatively to our blunder. The Security Council takes up the choice of

a secretary-general beginning next week, with a final vote possible late this month.

Mr. Simon said he had passed on to the secretary-general some names of people in Congress who might be called to discuss the issue. Mr. Boutros Ghali apparently telephoned at least two of them, Representative Lee Hamilton, Democrat of New York, who has been critical of the secretary-general, and Senator Dianne Feinstein, Democrat of California.

The senator's statement said: "The assumption is made, accurately, that we are prepared to veto the secretary-general — the first secretary-general who would not be granted a second term — either because of domestic political reasons or because he has on rare occasions shown independence from U.S. wishes. Either version is not worthy of a great power. Greatness suggests something more than a crude use of power."

Speaking of his contacts with Mr. Boutros Ghali, which include many phone conversations, Mr. Simon said:

"We have a tradition of people coming and talking to members of Congress in a free country. I think that tradition should be continued."

Congress has no direct role in the choice of a secretary-general, but opposition to Mr. Boutros Ghali there has led the Clinton administration to back away from him and mount a personalized campaign against him.

ADVERTISEMENT

ADVERTISEMENT

On this,
top scholars see
eye to eye:
"Scientology
is truly
a religion."

To the eight million parishioners of the Church of Scientology, Scientology is their religion and it fulfills their deepest spiritual needs.

But if your only information about Scientology has come from second-hand sources, you may have heard something else about Scientology. Not from Scientologists, not even from recognized experts, but from self-appointed "experts" who either do not care about religion at all, or have a vested interest in denying the *bona fides* of any religion but their own.

Religious experts internationally recognize Scientology for what it is — a vibrant, growing religion. Here is what they said:

"Scientology is a bona fide religion and should be considered as such..."

"[Scientologists] perceive their beliefs and practices as a religion, and many bring to them levels of commitment which exceed those normally found among believers in the traditional churches."

— Bryan Wilson, Reader Emeritus in Sociology,
Oxford University, and Fellow of the British Academy

"Everything which is said or done in Scientology can and has to be understood only if Scientology is viewed as a religion."

— Dario Sabbatucci, Professor of History of Religions,
University of Rome

"Scientology is truly a religion."

— Jacques Robert, Associate Professor of Public Law,
University of Paris II

"Scientology clearly meets the scholarly definition of any religious tradition, clearly pursues the goals of any religious quest, and clearly exhibits the dimensions of any religious community."

— Lonnie D. Kliever, Professor of Religious Studies,
Southern Methodist University, Dallas, Texas

"Apart from individual salvation, Scientology sees it as its task to clean up our whole planet and create a civilization where there is no irrationality, criminality or wars.... Scientology in its present form is a religion, offering crucial religious services, a distinctive belief and a tightly organized religious denomination."

— Harri Heino, Professor of Theology, Research Chief,
Evangelical Lutheran Church of Finland

Their findings are shared by scholars from Germany, South Africa, Sweden, Argentina, Australia, Japan, Belgium and other countries. And by millions around the world who use Scientology to improve their lives, the lives of those around them and the communities in which they live and work.

FOR MORE INFORMATION:
Check the following Internet sites for information about Scientology. Each is available in English, French, German, Italian and Spanish:

<http://www.scientology.org>
<http://www.ironhubbard.org>
<http://www.dianeucis.org>
email: webmaster@scientology.org

VISIT OUR CHURCHES: Pay a visit to your nearest Church of Scientology. Addresses for our principal European Churches are given here.

FREE INFORMATIONAL BOOKLETS AVAILABLE: You can obtain the address of the local church nearest you, and a free booklet about Scientology, by calling (33) 1 44 74 61 68, or write to Church of Scientology Ile-de-France, 7, rue Jules César, 75012 Paris, France.

Austria
Schottenfeldgasse 13/15
1070 Wien, Austria

Belgium
Church of Scientology
European Human Rights
and Public Affairs Office
61 Rue du Prince Royal
1050, Brussels, Belgium

Denmark
Storekongensgade 55
1264 Copenhagen K.
Denmark

France
7 Rue Jules César
75012 Paris,
France

Germany
Beckstrasse 12
80802 München,
Germany

Italy
Via Abetone, 10
20137 Milano, Italy

Netherlands
Nieuwe Zijds Voorburgwal 271
1012 RL Amsterdam,
Netherlands

Norway
Lille Grensen 3
0159 Oslo,
Norway

Portugal
Rua Actor Tabora 90 5°
1000 Lisboa, Portugal

Spain
C/ Montero 20, 10 dcha.
28013 Madrid, Spain

Sweden
Götgaten 105
11662 Stockholm, Sweden

Switzerland
Badenerstrasse 141
8004 Zurich, Switzerland

Great Britain
68 Tottenham Court Rd
London, England W1P 0BB

Church of
SCIENTOLOGY

THIS MESSAGE WAS MADE POSSIBLE BY A GRANT FROM THE INTERNATIONAL ASSOCIATION OF SCIENTOLOGISTS

© 1996 Church of Scientology International. All Rights Reserved. SCIENTOLOGY and the Scientology Cross are trademarks and service marks owned by Scientology. Other names and used with its permission. VOTED 04/09/97 by the membership. Don't despise the mission of the affiliated churches and missions of Scientology. DIT 5.4

هكذا من الالهي

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

An Interesting Time

The numbers were clear and decisive where President Bill Clinton's re-election was concerned. He walloped the other side. There is one respect, however, in which the result was blurry. It's not just that the country will continue to suffer the joys of divided government, each party reduced to serving as a kind of guard dog to keep the other in check. It's that, in addition, this time around each party chose for what it perceived to be political safety's sake to adopt an unusually high degree of protective coloration. The two sides blurred their differences. You could still tell them apart by Election Day, but you had to decode an awful lot of same-sounding rhetoric to do so.

The president completed a remarkable comeback. He was helped by an economy for whose good performance he bore some responsibility, but not nearly as much as he made it sound. He was helped as well by the harsher side of the record of the Republican Congress; rarely has a party tossed aside so large an apparent political advantage in so short a time as this one did over the past two years. And of course he was helped by the invincible woodenness of Bob Dole's campaign. He gets credit nonetheless for having conducted against tremendous odds an adroit and tough-minded two-year campaign of his own — and for having deflected the worst of the Republican agenda in the process. But a major part of that campaign consisted of shifting prior ground. He beat the Republicans in part by adopting their positions, thereby allowing them to claim a sizable policy victory even as in electoral terms they lost.

Likewise for the Republicans, who for example began the Congress by threatening to take the edge off almost

the entire array of environmental statutes, on grounds the burdens of their enforcement outweighed the gossamer benefits by far. They ended the same Congress sounding or trying their best to sound like a born-again green party. They ended it saying as well that they yielded to none in their support for Medicare, Medicaid, student loans, public works grants and all manner of other spending that they earlier had made a kind of political religion out of seeking to cut.

Whether that will continue to be the case is anybody's guess. For while the House Republicans may have ended up with less of a sharp edge, the Senate Republicans may have more of one. They lost some of their more accommodating people and may have gained some who will be less so. It is, of course, true that almost everyone is now making nice about bipartisan cooperation. The president said it's time for the parties to "put aside the politics of division" and work together. Republicans made similar noises about their willingness, the inconclusive battle being over, to work with him. To the extent that Mr. Clinton meant to suggest that this bipartisan cooperation would rule out the investigations that are going to go forward in the next Congress, he is undoubtedly in for a disappointment. Still, when it comes to substantive legislation, the postelection disposition of power in Washington strongly suggests that the only way either side will be able to get anything done is by working and negotiating with the other. So there will be the investigative fireworks and the quiet backstairs dealing on program and policy. It will be an interesting time.

—THE WASHINGTON POST.

Stewards of State

Warren Christopher and William Perry sometimes seemed like the milquetoast twins of the Clinton administration. Soft-spoken and retiring, they were not central-casting candidates for secretary of state and secretary of defense. But in their own quiet way, both men served their president and country well.

Along with several other cabinet members, Mr. Christopher and Mr. Perry have made clear they do not intend to serve in President Bill Clinton's second term. More departures are likely in the days ahead as Mr. Clinton starts to assemble a new team in the White House and executive agencies.

Some of those exiting leave a mixed legacy. Energy Secretary Hazel O'Leary, for one, treated herself to frequent and lavish foreign peregrinations, but ended decades of secrecy about government radiation experiments on human subjects.

Mr. Clinton's selection of new national security aides will offer an early look at whether he plans changes in foreign policy, and whether he considers it advisable to reach across party lines to put together a bipartisan group. Mr. Christopher and Mr. Perry proved that the country's top diplomat and defense official need not be antagonists.

Mr. Christopher brought maturity, tenacity and reflection to the Clinton administration's foreign policy. Though more a lawyer and negotiator than a global strategist, Mr. Christopher safely guided a president inexperienced in foreign affairs through an uncertain period of international realignment in the wake of the Cold War.

We were critical of Mr. Christopher's early stumbling over issues like intervention in Bosnia and human rights in China. But he went on to assemble an impressive list of foreign policy achievements. These include peace agreements in Bosnia and the Middle East, a nuclear accord with North Korea, progress on reducing dangerous weaponry elsewhere and renewed diplomatic discussions with China.

Mr. Christopher also fought behind the scenes, sometimes successfully and sometimes not, for more attention to human rights and nuclear arms reduction.

He devoted special efforts to the Middle East. In an administration that strongly supported Israel, he helped give Yitzhak Rabin and his partner Shimon Peres confidence to take risks for peace. More recently, he worked tirelessly to keep alive peace negotiations when renewed violence rocked the West Bank and Gaza Strip. Mr. Christopher also tried, so far unsuccessfully, to draw Syria into serious negotiations with Israel.

Mr. Perry took over the Pentagon in

February 1994, following the chaotic tenure of Les Aspin. He quickly restored order, discipline and morale, three qualities crucial to military effectiveness. He also emerged as an articulate and candid spokesman for the administration's policies. Mr. Perry helped strengthen dialogue between top U.S. and Russian military leaders, reducing the risk of future nuclear conflict.

Mr. Perry's record was blotted by the June terrorist bombing in Saudi Arabia that killed 19 U.S. servicemen. The defense secretary and his top aides failed to put a premium on security at U.S. installations in the Middle East. Mr. Perry also should have been more aggressive in cutting bloated weapons procurement budgets.

With Jesse Helms now likely to return as chairman of the Senate Foreign Relations Committee, the Clinton administration will need strong, clear voices to defend its decisions and secure support from a Republican Congress.

The State Department's modest budget has been recklessly cut, undermining U.S. diplomacy in unstable corners of the world. Mr. Clinton will be hard-pressed to find stewards of U.S. foreign policy more dependable and self-effacing than Mr. Christopher and Mr. Perry.

—THE NEW YORK TIMES.

Other Comment

A Free Press

A free press is not consistently a picture of loveliness, rectitude or good taste. But what's even more upsetting is no free press at all. Too many societies have little tolerance for a free press, vulgar or otherwise. That can prove tragic. Societies that imprison or anesthetize the press do so at their peril.

A new book, "India: Economic Development and Opportunity," by Jean Dreze and Amartha Sen, makes the following fascinating point: Modern India, though one of the world's most continually troubled societies, has never suffered a famine. By stark contrast, China has endured many, including the unforgettable famines between 1958 and 1961 that left a staggering 23 million dead from starvation. The authors attribute the difference in experience in large part to the existence of a free press in India. There, at least, the government could not ignore a developing famine because, whether the government thought it wise or not, the press tells people about any terrible developments in the countryside.

—Tom Plate, commenting in the Los Angeles Times.

The Beltway '96 Model: Could It Be a Lemon?

By E. J. Dionne Jr.

WASHINGTON — The voters refashioned the American political system in Tuesday's elections. It is not in the least bit clear that the new model can work.

Like almost everything about 1996, the result was rooted in paradox. The voters created something new by casting ballots for the status quo, re-electing both President Bill Clinton and a Republican Congress.

How does status quo equal a big change? Think about the 24 years that followed Richard Nixon's victory in 1968. For 20 of those years, the country kept a balance in Washington by giving the presidency to Republicans and one or both houses of Congress to the Democrats.

The new system turns the old one on its head. Now, a Democratic president will be checked by a Republican Congress. The difference between the two arrangements is large.

The voters' earlier approach left the Democrats with room for innovation, especially in the Nixon years. President Nixon ratified a series of liberal domestic achievements, from environmental and worker safety protections to expanded help for the elderly. In the Reagan era, the Republican president got his way on tax cuts and defense spending but quickly lost control of the domestic

budget. Voters seemed happy for a time to live with the deficits that their desires for tax cuts, guns and butter produced.

The Settlement of 1996 creates a different dynamic. Going into the next two years, the common ground between President Clinton and the Republican Congress is defined mainly by tax cuts — small ones in Mr. Clinton's case, larger ones in the Republican case — and a verbal commitment to continued deficit reduction, including some cuts in Medicare.

Note this does not leave much room for new initiatives. Congress will approve, at best, only the most ramshackle version of that bridge to the next century that Mr. Clinton clung to in his joyful but sober victory speech in Little Rock.

It was said often Tuesday night that Americans voted for "moderation." The problem is that different groups voted for different kinds of moderation. Mr. Clinton won, and the Democrats gained seats in the House, because of a strong public reaction against the early phases of the Republican Congress. Democrats got a great many votes from people uneasy with Medicare and education cuts. As an institution, the Democratic Party has little interest in

supporting reductions in its own constituency's favorite programs.

The Republicans, in the meantime, hung on in part because many voters still mistrust the president. In exit polls, Republican voters talked more of trust and character than policy. And the Republicans' political base still opposes the expansion of government. The Republican Party thus has little institutional interest in making Mr. Clinton look good. "We've got a bridge to build, and I'm ready if you are," Mr. Clinton said Tuesday night. But the Republicans may not be ready.

This view may be unduly pessimistic. After all, the Republicans also owe their congressional victory to a sharp tactical reversal after the government shutdown and other disasters in 1995. To survive, they were willing to pass a minimum wage increase, health insurance reforms and what (from their point of view) was a compromise welfare reform. Gone were the "revolutionaries" and in came the "pragmatists," often the same people wearing different policy clothes.

Moreover, moderate Republicans of long standing — Maryland's popular Connie Morella, for example — got a scare at the polls this year. They may be more willing now to press their own leaders toward accord with Mr. Clinton and to reach to Democrats for com-

promises. Ms. Morella said as much after her toughest re-election.

And Mr. Clinton emerges, if not astride the political universe, then at least as one of the great survivors of American political history. That should earn him some room for maneuver. Within the Clinton vote, moreover, lies at least the outlines of a new Democratic majority, given the president's substantial gains among women voters and the young.

But the Republicans, especially Newt Gingrich, also survived, and they will have reason for feeling confident, perhaps even cocky. It is hard to find a single reason why the Republicans will let up in their attacks against Mr. Clinton on questions of character and public trust. Those very issues pushed voters away from the president in the campaign's final days, robbing him of both a broader triumph and a congressional victory.

Mr. Clinton, his generation's most talented politician, has proven his capacity to turn even the most unfavorable circumstances to his own advantage. In light of Tuesday's results, he will have to move quickly and do it all over again. It will take all of Mr. Clinton's gifts to fashion Washington's new political system into an engine of accomplishment.

The Washington Post.

America Must Help Africa Now — and a Quick Fix Won't Do

By Flora Lewis

PARIS — It is painful to admit that the paralysis of American decision during the presidential election campaign cost many lives. But that is what has happened in the Great Lakes region of Africa.

The election is over now. Action is urgent.

"The longer they wait, the less people will need care because they are dying," said a representative of Doctors Without Borders. The United States has been reluctant to offer the needed force, not only because of domestic politics but because of its bad experience in Somalia.

President Bill Clinton, who inherited the Somalia intervention from George Bush, was blamed for that debacle, unfairly. Mr. Bush responded to a massive threat of starvation and disease with troops only after he had lost his bid for re-election. He set a two-month deadline for their withdrawal. But they were given neither the equipment nor the mandate to fulfill the task, and Mr. Clinton was then upbraided for allowing "mission creep" to embroil them in local fighting.

This time there will have to be a more candid admission that the emergency is not just humanitarian and that the problems causing it must be addressed with force. A million people are struggling through inhospitable terrain without food, water, medicine or sanitation, and their plight cannot be ignored. But, as in Somalia, troops aren't needed to feed them; rather, they are needed to end the conditions that cause the trouble.

Ethnic Tutsi, who have lived for generations on the Zaire side of the border but were deprived of their Zairian citizenship by the Kinshasa Parliament in 1981, have been fighting the Zaire Army with apparent support from Rwanda. There has been talk of claiming the territory, which infuriates Zaire.

It can hardly be called humanitarianism to have kept hundreds of thousands of people in camps where they cannot farm or work. But they couldn't be sent home because the still-armed Hutu fighters among them prevented it, and because they feared revenge from the Tutsi. The reason for sending troops now must be to separate the real refugees from the fighters so as many as possible can be repatriated. They also will need assurances of safety in Rwanda.

That is what happened, whether that was the French in-

tervention or not, and France doesn't want to put itself in the same box again. What is happening now is the result of leaving the situation unresolved and the consequences' spreading to involve Zaire and Burundi.

U.S. Secretary of State Warren Christopher provoked French ire when he made a rare visit to Africa recently and proposed that the OAU set up a standing intervention force that could receive American logistical support. Everybody is mad at everybody now, and the catastrophe gets worse. American, European and so far as feasible African cooperation is essential, first to save lives but then to make a serious effort to unravel the mess and impose a political settlement.

By themselves the Africans are no more able to solve the bloody jumble — which has historic roots as well as roots in current political rivalries — than the Yugoslavs were in trying to disentangle their federation.

And if the crisis is only eased, it will break out again and spread.

There is a temptation for the West to despair of Africa and provide only spurts of inconclusive attention when crisis becomes intolerable. But benign neglect doesn't work; it makes crisis inescapable. A quick response is required now, with enough might to make right, but it will be of little use unless it is followed by a firm international plan to address the underlying issues that erupt in massacre and mass flight.

At their summit meeting this week, France and Spain said that the dispatch of a humanitarian intervention force must have as its final phase a big international conference to deal with the causes of the tragedy in the Great Lakes region. It isn't a matter of choice. In the next few days, the United States must signal that it agrees and understands that this will not be a quick fix, in and out of the blink of an eye. Africa won't go away, it can't be roped off from the rest of the world and it won't allow itself to be forgotten.

© Flora Lewis

Saudi Arabia's Strange Moves and Some Possible Explanations

By Thomas Friedman

WASHINGTON — If you read between the lines of the recent stories in The Washington Post, New York Times and Arab media about who was behind the June 25 bombing of U.S. troops in Saudi Arabia, two intriguing facts stand out:

Fact No. 1 is that Saudi Arabia is accusing Iran and pro-Iranian Saudi Shiites of masterminding the bombings, which killed 19 Americans and injured 148. Fact No. 2 is that Saudi Arabia is letting it be known that Syria may have been involved in this bombing, because a key witness "committed suicide" while in Syrian custody before he could testify. Now for Saudi Arabia, a notoriously cautious nation, to let these incendiary facts out just before the U.S. elections is very interesting. What's going

on? Here are a few possible explanations:

1. The Saudis fear that, the election over, the United States is going to open a dialogue with Iran because the United States has concluded it cannot deal with Iraq, Afghanistan or the Gulf without a better relationship with Tehran. Two weeks ago, the assistant secretary of state for the Near East, Robert Pelletreau, gave a speech in Dubai that was interpreted in the Gulf — Mr. Pelletreau insists wrongly — as signaling a greater U.S. willingness for a new relationship with Iran.

Did the Saudis see those remarks and decide to finger the Iranians now for the Dhahran bombing to undercut any

possible shift in U.S. policy?

2. The Saudis have let it be known that Jaafar Marzuk Chueikhat, a Saudi Shiite member of the pro-Iranian underground in eastern Saudi Arabia, was alleged by several of those arrested in the Dhahran bombing to be a key figure in delivering the explosives. Saudi intelligence, with the help of other Arab secret services, reportedly tracked Mr. Chueikhat's movements and found that he had gone back and forth among Lebanon's Bekaa, Damascus and Saudi Arabia several times before the bombing, and while in Damascus may have had contacts with the Iranian Embassy.

The Saudis asked the Syrians

to arrest him. The Syrians balked at first but finally picked him up at the Yarmouk Palestinian refugee camp in Damascus, a stronghold of the pro-Iranian Islamic Jihad group.

The Syrians threw him into prison. On Sept. 18, a Saudi delegation arrived in Damascus to interrogate Mr. Chueikhat. That is when they were told that unfortunately he had "committed suicide" in his cell the night before. The Saudis assumed it was a Kevorkian-style "assisted suicide" to cover up Syria's involvement. Or as they used to say in the Mafia: The poor guy shot himself in the head — four times. The Saudis asked to see the body. The Syrians said unfortunately he was already buried — and he didn't leave a note. The Saudis demanded an explanation from the Syrians. They got none.

One reason this story may be coming out now could be related to the power struggle inside Saudi Arabia for succession to the ailing King Fahd.

Crown Prince Abdullah bin Abdulaziz, the heir apparent, is known for his close ties to Syria. This story is very embarrassing for him and therefore may help his opponents. Another reason it may be coming out now is that the Saudis are tired of being intimidated by the Syrians and

don't mind creating a climate in which the Syrians are viewed as outlaws so the new hard-line Israeli government can slap them around with impunity.

3. A third theory is that the Saudis are just nervous, and people who are nervous do funny things. The Saudis have never had much confidence in the Clinton foreign policy team. All of America's Arab allies in the Middle East — Bahrain, Saudi Arabia, Turkey, Kuwait, Jordan — are weaker and more vulnerable today than they were when the Gulf War ended in 1991, while their enemies, Iran and Iraq, are either stronger or holding their own. Were the Saudis blaming Iran in order to warm up ties with Iraq? Or had the Saudis decided that they did not want the FBI poking around their kingdom any longer and therefore they would blame Iran, execute those already arrested and then close the case before it turned up anything embarrassing about home-grown Saudi unrest?

4. Maybe things are just as they appear — maybe Iran and its agents really did blow up the Dhahran barracks and maybe Jaafar Chueikhat got a pistachio stuck in his throat and did choke to death in a Syrian prison before he could tell his story. Maybe. And maybe not...

The New York Times.

No More Independent Counsels

By Arthur L. Liman

NEW YORK — In 1993 I testified before Congress in support of authorizing the Independent Counsel Act, which had expired.

I believed that the independent counsel process, enacted in the aftermath of Watergate, was necessary to assure the public that decisions about whether to prosecute high administration officials would be free from political interference.

On the day I testified, Nicholas Katzenbach, attorney general under Lyndon B. Johnson, was the only witness to oppose the law. He said that naming independent counsels undermined the Justice Department and that his own experience with a strong president taught him that the department could be trusted to act independently.

I now wish to recant my testimony. Mr. Katzenbach was right. I was wrong. I recognize that some will say that as a Democrat I have changed my position because the president is a Democrat — just as Republicans opposed the institution of the independent counsel when they were in power.

But I am speaking out now because the naming of special prosecutors has become so reflexive that matters that only

several years ago would have been investigated by U.S. attorneys or Justice Department lawyers are now routinely turned over to independent counsels.

Today we are on the verge of the appointment of another independent counsel, this one to investigate whether the Democratic National Committee violated campaign finance laws. This is the time to draw the line.

If existing law was willfully broken, this is a serious offense, but it calls for the type of inquiry that can be and has been handled by the Justice Department on many occasions.

Decisions by several independent counsels, including Lawrence Walsh's indictment on perjury charges of former Secretary of Defense Caspar Weinberger a few days before the 1992 election, have destroyed the image of the independent counsel as a non-partisan investigator.

Likewise, Kenneth Starr's arguing of cases for the tobacco industry while he serves as independent counsel on Whitewater has made him, despite his high reputation for integrity, a subject of controversy. Clearly, it is a myth that an

independent counsel is necessarily less prone to political pressure than a Justice Department prosecutor.

While U.S. attorneys and other federal prosecutors develop a nose for real crime and do not burden the system with theoretical and petty infractions, independent counsels rarely show such restraint. They are one-case prosecutors whose very appointment raises expectations of indictments.

We had a saying when I was a prosecutor that we could persuade a grand jury to indict a ham sandwich. Today it is even easier to get an independent counsel to investigate the sandwich. Under current law — even if the Justice Department could credibly handle the case — the attorney general now feels obligated to request an independent counsel almost on demand.

But prosecution requires a judgment shaped by experience and unaffected by what politicians or the media want. Investigations of White House officials should be turned back over to the professionals in the Justice Department.

The writer, a lawyer, was chief counsel to the Senate Iran-contra committee. He contributed this comment to The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1896: Bimetall Cause

NEW YORK — Mr. Bryan issued a statement to the bimetallists of the United States, saying: "The friends of bimetallism are not vanquished. They have simply been overcome. They believe that the gold standard is a conspiracy of the money-changers against the welfare of the human race. Until convinced of their error they will continue the warfare against it. I urge the friends of bimetallism to renew their allegiance to the cause."

1921: Blasé Criminal

PARIS — Unmoved and unbowed, the criminal Henri Désiré Landru for the first time faced the jury which is to determine his fate. With the insouciance of a blasé spectator, he watched the stage being set and heard the accusing prologue read for the opening of a courtroom drama which promises to

be of such sensational interest that already, under the intriguing title of "The Bluebeard of Gambais," it is being flashed from one continent to another. The indictment reading required nearly two hours and a half and grew tedious, through the monotonous description of one sordid crime after another.

1946: Offer on Trieste

ROME — A sensational offer by Marshal Tito to end the long wrangle over Trieste by ceding it to Italy burst with explosive force in diplomatic and domestic circles in Rome. Under terms of the proposal made by the Yugoslavian leader, Italy would cede the city of Gorizia to Yugoslavia. Trieste would remain "under the sovereignty of the Italian Republic," but a yet-undefined autonomous status would guarantee that the disputed "port city" would be "effectively democratic."

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairman

KATHARINE P. DARROW, Vice Chairman

RICHARD MCLEAN, Publisher & Chief Executive
MICHAEL GETLER, Executive Editor

• WALTER WELLS, News Editor • PAUL HORVITZ, Deputy News Editor
• KATHERINE KNORR and CHARLES MITCHELMOORE, Deputy Editors • SAMUEL ABT and CARL GEWIRTZ, Associate Editors • ROBERT J. DONAHUE, Editor of the Editorial Pages
• JONATHAN GAGE, Business and Finance Editor
• RENÉ BONDY, Deputy Publisher • JAMES MCLEOD, Advertising Director
• JUANITA L. CASPARI, International Development Director • DIDIER BRUN, Circulation Director
Directeur de la Publication: Richard McLean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France
Tel.: (1141) 43.92.00 Fax: (1141) 43.92.10 Adv.: (1141) 43.92.12 E-Mail: ih@ih.com

Editor for Asia: Michael Richardson, 50 Colson Rd., Singapore 0511. Tel: (65) 472-7700 Fax: (65) 274-2334
Mng. Dir. Asia: Rolf D. Krumpholtz, 50 Colson Rd., Hong Kong, Tel: (852) 2022-1108 Fax: (852) 2022-1104
Gen. Mgr. Germany: T. Schöler, Friedrichstr. 15, 10523 Frankfurt, Tel: (49) 71 57 55 Fax: (49) 71 57 71 71
Pres. U.S.: Michael Cowley, 850 Third Ave., New York, NY, 10022, Tel: (212) 752-3800 Fax: (212) 755-8705
U.K. Advertising Office: 60 Long Acre, London WC2E, Tel: (44) 171 836-4802 Fax: (44) 171 240-2254
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61317
© 1996 International Herald Tribune. All rights reserved. ISSN: 0244-4902

OPINION/LETTERS

After the Second Honeymoon, Let the Law Take Its Course

By William Safire

WASHINGTON. — Like a cop bursting in on a culprit's hideout, the nation's voters kicked down the incumbents' door and yelled "Freeze!" The result: a political standoff, with power nicely balanced.

Right-wingers can call Bill Clinton the first president elected by women; we can deride his inability to achieve a majority, despite the inflated poll predictions; we can thank him for depressing voter turnout and thereby becoming the first Democratic candidate since Al Smith to return a Republican Congress to power, and we can mutter that he won only because he adopted our principles of balanced budgets with tax cuts.

But the political fact is — he won. Re-won the presidency big, starting from flat on his back. That deserves a nongrudging respect, and it's why I'm telling myself to get over it.

Welcome to the Second Honeymoon. For about three months, the House speaker, Newt Gingrich, and the Senate majority leader, Trent

Lott, will be plauding about national unity and holding the president to his conservative promises. Mr. Clinton, having learned the lesson of his ill-fated leftward lurch of 1993, will be talking about "the vital center."

That phrase was coined in 1949 by the historian Arthur Schlesinger Jr. to describe democracy's position between communism and fascism.

Mr. Clinton is using it now to give some rhetorical dynamism to the mind-set imposed on him of moving toward smaller government, but gently and not so fast — conservatism with a bit lip.

As an expression of affection in this honeymoon period, the president is expected to shake up his tell-em-nothin' White House staff, reach out to Republicans and conservative Democrats in the reforming of his cabinet, involve Bob Dole, Jack Kemp and Steve Forbes in blue-ribbon commissions to provide cover in reducing enti-

lements, and triangulate like crazy.

All to the good, provided it leads to center-right compromises on tax reduction and an end to fantasy on balancing the budget on a bridge too far. Mr. Gingrich, too, has learned the lesson of slow dancing toward major change. Then will come the crunch.

Congress, resisting Mr. Clinton's everybody-did-it call for forgive-

ness of past campaign-finance corruption, will look into foreign financial influence on our politics, and insist on another independent counsel as well. And Kenneth Starr, having deferred to the election process in timing his indictments, will set out the crimes of Whitewater, Travelgate and Filegate.

The nation needs no replay of Richard Nixon's second term.

Will Mr. Clinton take this ordeal as a betrayal of his spirit of comity, and again interpret his re-election as acquittal by the voters of all first-term wrongdoing? Will he call again on "executive privilege" to resist congressional oversight, and then abuse the presidential pardon power to protect himself — braving the political firestorm that would surely follow?

Let's hope not. The nation needs no replay of Richard Nixon's second term. On the contrary, if the president lets the law take its course; if he cooperates with Congress instead of living on the brink of contempt; if he answers press questions forthrightly — he can come out as the president who upheld the law at great personal risk.

By thus refusing to set himself above the law, Mr. Clinton would establish credentials of character that would serve him well in creating a Vital Center. With the

left all but gone, the Vital Center is merely the new name for the opposition to conservatism. But it can be more than a label.

Centrism need not be mushiness; it need not say only "yes, but" with its leader triangulating loftily above the battle and his troops.

What could give centrism a new vitality is a challenge to some of the anti-libertarian precepts of much of the political right.

Mr. Clinton and Vice President Al Gore should rethink the computer privacy issue, clarify rather than fuzzle up the differences on school choice and nominate Supreme Court justices unafraid of healthy argument.

A second-term president is both an instant lame duck and a leader with new freedom of action. By showing respect for the law, by setting aside the soothing syrup and by leading us to an era of small, smart government, the man of the Vital Center could be a worthy stimulus to a Vital Right.

The New York Times

Ambassadors Need To Be Well-Dressed

By David Ritchie

SEOUL. — Want to see how America's image abroad is changing? Come with me to the Jonggak neighborhood in Seoul. What you see may startle you.

Jonggak is a good place for Korea-watching. Buy

MEANWHILE

coffee, sit down in the little plaza near the subway station and look around.

America's commercial and cultural empire surrounds you. KFC, Wendy's, McDonald's and Popeye's sell fast food. A certain cartoon cat smirks at you everywhere. Disney characters are ubiquitous, too.

The United States appears to be on top of the world just now. Looking at people on the streets, however, you cannot help thinking that America is slipping. There was a time when Americans looked decent and Asians looked ragged. Today, Asians look better than Americans.

The Koreans as a rule are well-dressed and well-groomed. The Americans, by contrast, are a shabby lot. Unshorn and ill-clad, they often look like leftover hippies from Haight-Ashbury.

Their appearance has become an issue in Korea's

English-language press. One paper has pointed out that if foreigners choose to dress like hobos they cannot expect respect from Koreans.

The Koreans are right. Dressing reasonably well requires little effort. It also delivers a message from foreigners to their host country: We respect you.

But dressing down is the custom and is likely to remain so. Perhaps that is why, after living here several months, an American may develop an odd aversion for his own people.

In Jonggak, for example, a neophyte — a young man attired as if homeless, with extremely long black hair and a Saddam Hussein mustache — squats on the sidewalk with an assortment of cheap jewelry for sale.

No one stops to buy or even talk. People hurry past him. You almost hear them think: "Unclean!"

I presume he is American, or possibly Australian. It wouldn't hurt to ask. Instead, I rush past him, too.

The writer, who teaches English at a private school in South Korea, contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

Repression in China

The 11-year prison sentence imposed on the young Chinese dissident Wang Dan is appalling.

Harsh punishments inflicted on him and on many other outspoken political activists, including Wei Jingsheng and Liu Xiaobo, make a mockery of justice and violate the basic principles enshrined in the Universal Declaration of Human Rights. Chinese leaders once again have answered peaceful calls for democratic procedures with repression and imprisonment.

It is to be hoped that on his forthcoming trip to Beijing, U.S. Secretary of State Warren Christopher puts human rights ahead of commercial concerns. As Wei Jingsheng said before returning to prison for another 14 years: "The U.S. government's attitude should be as tough as the Chinese."

LOIS WHEELER SNOW,
Elysian, Switzerland.

Portugal and Timor

Regarding "Only Portugal and Indonesia Can Settle the

Case" (Opinion, Oct. 16) by Irawan Abidin:

Ambassador Abidin was too chivalrous to the Portuguese and their belated sensitivities about East Timor.

Portugal dropped East Timor in 1975 like a hot potato and has no right to pose as the protector of its people. Also, Portugal does not have the means to deliver protection and is only stirring up trouble and creating empty hopes.

PANAGIS VOURLLOUMIS,
Athens.

A Very Funny Man

Regarding "Art Buchwald's Tour Paris: The Beautiful and the Stinky" (Features, Sept. 6):

The excerpt from Mr. Buchwald's Paris memoirs begins with his description of departing New York in 1948:

"At dockside I bid farewell to my father and sisters, promising them that when I returned from France, I would be the most important writer in the country, or its equivalent."

In one respect that prediction came true.

Several years ago, I had the occasion to spend an afternoon with Dolly van Dongen, the daughter of Kees van Dongen, the Fauve artist.

She regaled me with stories of Matisse and Picasso. At one point, I asked if she had known the Steins.

"Oh, yes!" she replied. "I often attended their salon."

Had she met F. Scott Fitzgerald or Ernest Hemingway there? An expression of puzzlement appeared on her face, and she inquired, "Were they painters?"

"No," I replied, "American writers."

She shook her head and said: "I only knew one American writer."

"He wrote for the Herald. A very funny man."

She paused, chortled for a moment, and then continued: "His name was Art Buchwald. He left Paris years ago to return to America. I don't know what became of him, but he was a very funny man!"

DANIEL R. GOULD,
Amsterdam.

CURRENCY AND CAPITAL MARKET SERVICES



Peter G. Catranis
Forex & Futures Specialist

Call today for your complimentary copy of my latest research reports, market opinions and performance records. Learn how you can put my 19 years of professional trading experience to work directly for you.

OUTSTANDING Analysis for All Major Markets SUPERIOR Selection of Managed Accounts
EXCEPTIONAL Execution Forex or Futures FREE Trading Software & Data
COMMISSION Spot FX 2-5 Pip Price Spreads COMMISSION Futures \$12-\$36 Per RT

Prepare for Tomorrow's Major Market Moves by Calling Me Toll-Free Today

Australia 1800125944 Belgium 080015880 Bermuda 1800874178 Brazil 0800118215513 Colombia 980120837
Cyprus 080090605 Denmark 80016132 Finland 08001110084 France 059022445 Greece 0800118213013
Germany 0130625656 Hong Kong 8007209 Ireland 1800558234 Israel 1771000102 Italy 167875928
Japan 0311258509 Korea 0638110243 Luxembourg 08004552 Mexico 958008754178 Netherlands 060220657
N. America 18009545757 N. Zealand 0800441880 Portugal 050112632 Singapore 8001202501 S. Africa 0800999337
Spain 908931007 Sweden 020793158 Switzerland 1557233 Thailand 001800119216613 Turkey 0800136219013
United Kingdom 0800956832 United States 18009945757 US Toll Free 714-376-8020 US Toll Free 714-376-8025

A two-month trial subscription.

Save up to 60%

By maintaining a far-flung network of news-gathering resources, the World's Daily Newspaper brings you unrivalled coverage of world politics, business and economics, as well as science, technology, travel, fashion, the arts and sport — all from an international perspective.

Take advantage of this limited opportunity to try the International Herald Tribune with a low cost, 2-month trial subscription and enjoy delivery to your home or office every morning.

COUNTRY/CURRENCY	2 MONTHS NEWSSTAND PRICE	2 MONTHS OFFER PRICE	DISCOUNT OFF COVER PRICE
AUSTRIA	ATS	1,450	650 55%
BELGIUM	BEF	3,380	1,380 60%
DENMARK	DKK	780	360 54%
FINLAND	FIM	624	310 50%
FRANCE	FF	520	210 60%
GERMANY	DEM	182	72 60%
GREAT BRITAIN	£	47	22 53%
GREECE	DR	18,200	9,100 50%
IRELAND	IR£	32	26 50%
ITALY	ITL	145,600	58,000 40%
LUXEMBOURG	LFR	3,380	1,380 60%
NETHERLANDS	NGL	195	79 60%
NORWAY	NOK	832	390 53%
PORTUGAL	ESC	11,960	5,000 58%
SPAIN	PTAS	11,700	5,000 57%
SWEDEN	SEK	832	390 53%
SWITZERLAND	CHF	166	68 60%
ELSEWHERE	\$	—	90 —

Yes, I would like to start receiving the International Herald Tribune. 8-11-96

☐ My check is enclosed (payable to the IHT)

☐ Please charge my:

☐ Amex ☐ Diners Club ☐ VISA ☐ Access ☐ MasterCard ☐ Eurocard

Credit card charges will be made in French Francs or current rates.

Card No. Exp. Date:

Signature:

For business orders, indicate your VAT No. (BT VAT Number P074732021124)

Mr/Ms/Ms Family Name:

First Name: Job Title:

Mailing Address:

City/Code:

Country:

Home Tel No. Business Tel No.:

E-Mail Address:

☐ I do not wish to receive information from other carefully screened companies

Mail or fax to: International Herald Tribune

181, avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Fax: +33 1 41 43 92 10

OR CALL: +33 1 41 43 93 61

In Asia, call: +652 29 22 11 88.

In the USA, call toll-free: 1-800-882-2884.

E-Mail: sub@iht.com

Offer valid for new subscribers only. H24M

IFEXCO
International Foreign Exchange Corporation
THE RELIABLE PARTNER.
SEE US ON NBC TEXT PAGES 355 & 356
Discounted commissions - 24 hour trading desk
Internet site: www.ifexco.com - Reuters page IFEX
86 bis route de Frontenex - 1208 Geneva - Switzerland
Tel (41) 22 849 7411 - 24hr (41) 22 849 7440 - Fax (41) 22 700 1913

FOREX
Managed Accounts
With U.S. \$ 700 Million under management.
achieved NET profits were:
1993: 54.73% 1994: 217.70% 1995: 141.41%
Minimum discretionary account accepted: U.S. \$ 250,000
Individual accounts are opened at banks in London or Geneva
Aminex S.A.R.L.
Geneva, Switzerland Tel.: (41-22) 787 57 57 - Fax: 787 57 58

SUCCESSFUL FUTURES MARKETS
PORTFOLIO MANAGEMENT
HIGH RETURN LIMITED RISK
NO MINIMUM PERIOD OF INVESTMENT
PROVEN TRACK RECORDS
ASK FOR A BROCHURE FREE OF CHARGE IN
ENGLISH OR IN FRENCH
GOLD HILL SERVICES SA
RUE DE BOURG 6, 1003 LAUSANNE, SWITZERLAND
TEL. (41.21) 320 58 31 FAX (41.21) 320 58 35
PORTFOLIO MANAGERS AND BROKERS SINCE 1982
MEMBER OF THE NEW YORK FUTURES EXCHANGE

MAJOR US FINANCIAL SERVICES FIRM SEEKS
BROKERAGE/MARKETING AFFILIATIONS
☐ Alternative Investment Products & Support
☐ Excellent Commission Opportunities
☐ Competitive Execution and Clearing Rates
☐ Providing Global Market Access
For information contact: R. Fivian or N. Hirsch
(US) 001-1312-341-7819 / Fax 001-1312-341-7599
Fox Investments - A Division of Rosenthal Collins Group L.P.
Member of All Principal US Futures Exchanges

Well known Swiss Foreign Exchange Broker
Looking for Introducing Brokers World-wide
for retail clients
Top quality back-office, competitive conditions
Please call: + 41 22 318 51 05

For further details on how to place your listing contact: WILL NICHOLSON in London
Tel: (44) 171 836 48 02 - Fax: (44) 171 240 2254
Herald Tribune
THE WORLD'S DAILY NEWSPAPER

SURGE TRADING S.A.
FOREX & FUTURES BROKERS
24 HOUR DESK
FREE FOREX AND COMMODITIES REPORTS VIA E MAIL
VISIT OUR SITE AT <http://www.surgetrd.com>
21-23 Rue du Clos, CH-1211 GENEVA 6
Tel.: (41) 22-700 2051 Fax: (41) 22-700 2061
SEE US ON CNN - TEXT PAGE 744

Banking in Switzerland.
Where tradition means performance.
For example, +9.93% annualized return.
(Avg. annual return of our investment strategy Muxid II, US\$, 1982-1996)
For detailed information, please contact us now:
Tel: 0041-1-267 54 79 Fax: 0041-1-267 54 82
Name, First Name:
Address:
Town, Country:
Tel:
Fax:
UeberseeBank
Lampardstrasse 2, CH 8024 Zurich

REHDER & PARTNER AG, ZUG - Switzerland
SENNWEIDSTRASSE 43 - 6312 STEINHAUSEN
FOREX
Managed Accounts
Please contact:
Martin Gloor. Tel.: 0041 41 740 00 22 - Fax: 0041 41 740 00 29

Your 'one stop'
Brokerage connection
to the world's
Futures, Options
& Forex markets
Linnco
Linnco Europe Ltd - Regulated by the FSA
125 Finsbury Pavement, London EC2A 1LE
+44 (0) 171 256 6600

صكزا من الاصل

INTERNATIONAL

Dredging Uproots Lode Of TWA 800 Wreckage

Parts of Fuel Tank Tentatively Identified

By Andrew C. Revkin
New York Times Service

NEW YORK — After painstaking sweeps with sophisticated sonar and metal detectors and more than 3,200 forays by scuba divers, investigators of the crash of TWA Flight 800 thought they had found all that they were going to find of the shattered jumbo jet.

But in just two and a half days this week, crude scallop dredges raking the sandy undersea crash site uncovered a new lode: hundreds of pounds of buried wreckage, large and small, any piece of which could provide the critical clue to what ignited a blast that destroyed the jet July 17, killing all 230 people aboard.

Among the pieces pulled up are some that are probably from the center fuel tank, investigators said. That section of the plane holds the key to the crash, they have concluded.

Since dredging began Monday, more than 60 bags of wreckage have been brought up, providing the first substantial new haul of potential clues in more than a month.

A boatload of aircraft debris sent ashore Wednesday included some pieces too large for bags, including almost a dozen curved metal beams or frames — some 4 to 6 feet long — and one of the jet's tires, 4 feet (122 centimeters) in diameter.

Federal crash investigators were energized by the new finds, hopeful that answers might finally be produced for one of the most confounding disasters in the history of commercial aviation. Although investigators have just begun to analyze the new finds, they are already "pretty excited," said Shelly Hazle of the National Transportation Safety Board.

"I don't think anyone anticipated we'd be this successful so soon," the spokeswoman said.

Fair weather has allowed two chartered scallop-fishing boats to work around the clock, said Craig Bagley, the manager of search and recovery op-

erations for Ocean Engineering International, a private company running the dredging under a contract with the U.S. Navy.

Newly dredged wreckage was being examined for any indications that an explosive device or mechanical failure had destroyed the jet. So far, investigators know only that something instantly cut power, caused a loud noise on voice recorders and broke off the front of the jet, ahead of the wings. They also know that the center fuel tank exploded, but have not yet concluded what set off the explosion or whether the blast alone led to the plane's destruction.

The pieces appearing to be from the center fuel tank were tentatively identified by a safety board investigator aboard one of the boats, Ms. Hazle said. But further analysis by specialists on shore will be needed to confirm their origin, she said.

Everything in and around the fuel tank is considered vital to finding the source of whatever flame, spark, heat or explosion ignited the blast. So far, Ms. Hazle said, the dredging has not turned up a much-sought piece: the last fuel pump from the center tank, a beer-can-sized pump used to empty small amounts of fuel.

Officials at the Suffolk County Medical Examiner's Office said forensic experts would inspect the recovered material for any human remains. Sixteen victims are still missing, and one recovered body has yet to be identified.

Robert Golden, the county's chief medical investigator, said there was a reasonable chance that more remains might be recovered.

The scalloping technique, in which pairs of 15-foot-wide iron dredges are drawn across the sand like plows across a field, could only be used after investigators had developed a precise chart of all known debris, investigators said. The location of particular pieces on the sea floor has helped investigators retrace how the Boeing 747 came apart, a critical part of the search for the blast's origin.

France Paints U.S. Role As Crucial in Zaire Crisis

By Joseph Fichett
International Herald Tribune

PARIS — Amid reports Thursday that refugees in eastern Zaire are starting to die of thirst, France portrayed U.S. support as vital for a plan to dispatch an international force — probably involving 5,000 troops — to protect a humanitarian rescue mission.

A French diplomatic source said that France was prepared to send its own troops to cope with the emergency only if the United States was willing to make a similar commitment. Earlier this week, it was reported that U.S. officials were considering deploying some troops, but only in a logistical capacity.

At a European Union meeting Thursday in Brussels, France and Spain pledged readiness to send troops to meet the emergency, but no other EU government has indicated readiness to contribute troops, even if the mission was sanctioned by the UN Security Council.

Leaders in Europe and in Africa appeared to be waiting for Washington, with Salim Ahmed Salim, the secretary-general of the Organization of African Unity, saying that "the United States has an important role to play in this."

Mr. Salim and French diplomats suggested that U.S. action had been delayed by the presidential election. Behind the scenes, Paris has been in close contact with Washington for several days.

The French proposal involves putting the airport at Goma in eastern Zaire under international control and creating corridors for aid deliveries. French diplomatic sources said that military protection was essential to deter fresh fighting and give refugees enough confidence to return to the camps, where aid can be provided as a preliminary to repatriation.

Describing U.S. support as essential to convince Zaire and Rwanda that the force would be neutral, the French diplomats sought to play down recent complaints by French cabinet ministers that the Clinton administration was usurping France's traditional leading role in francophone Africa.

Other diplomats in Paris said that the arrival of an international force would also alleviate fears of chaos on the Rwandan border that could trigger a political upheaval in Zaire, which has extensive deposits of strategic minerals.

With President Mobutu Sese Seko Konde Ngbendu's cancer operation and not expected to return to Zaire for several weeks, the French diplomatic sources said that it was important to protect what they described as a fragile political regime that is edging Zaire toward democracy.

As the Security Council reportedly prepared to debate international action, UN officials in Zaire said that witnesses had described refugees perishing in the barren mountains of eastern Zaire as some survivors struggled into Kisanzani, the city on the Zaire River formerly known as Stanleyville, after trekking 500 kilometers on foot.

As many as 1.1 million Rwandan Hutu have fled from refugee camps overrun by Zairian Tutsi forces, which have mounted a local rebellion with help from their fellow-Tutsi in the Rwandan Army.

Tribunal Postpones Rwandan's Trial

Reuters

NAIROBI — The international tribunal for Rwanda has delayed the genocide trial of a Rwandan leader accused of ordering the mass slaughter of Tutsi in 1994, officials said Thursday.

The tribunal's information chief said by telephone from Arusha, Tanzania, that the case of Clement Kayishema was postponed Wednesday until Feb. 20. Mr. Kayishema, prefect of Kibuye on the border with Zaire, is accused of being responsible for thousands of deaths.

It was the latest of a long series of setbacks for the International Criminal Tribunal for Rwanda in its attempt to bring to justice leaders of the 1994 genocide by Hutu of up to a million Tutsi and Hutu moderates.

REFUGEES: Wandering Hutu Are Dying of Thirst and Hunger

Continued from Page 1

hunger, they dropped the heaviest things they carried — blankets, tools and even food. Water was scarce. They tried collecting rainwater with plastic sheeting.

"Before I turned back," he said, "I saw about 17 people die. They were all sorts, but it was the old people who died first, and then mothers who had babies at the breast."

Francine Mukasekuru, a 23-year-old mother from the Katala camp, said she only kept up with the exodus for a day and a night before turning around.

"Because there was no water and no food, I decided to come back," she said. "We came with food and blankets, but we left our weak going by foot, we left them in the road. There were a lot of people sick there because it was very cold and because people were thirsty."

Most of the Hutu refugees who came into the Nkamira transit camp Wed-

nesday night had left Rwanda two years ago.

About 1.2 million Hutu streamed out of Rwanda in 1994, fearing reprisals from an advancing Tutsi army for the massacre of at least 500,000 Tutsi civilians.

The genocidal attacks were led by the Hutu militias and troops loyal to the former, Hutu-led Rwandan government.

Hutu militias have launched cross-border raids into Rwanda and have killed refugees who want to return to their homeland. In the last six months, Hutu from the camps joined Zairian soldiers and local vigilantes in attacks on ethnic Tutsi living in Zaire, igniting the current revolt.

A rebel alliance of Tutsi and other ethnic groups disenchanted with the Zairian government has captured three important cities, including Goma, Zaire.



SCARED BY A BOOM — A Palestinian woman comforting a child Thursday in the predominantly Arab section of Jerusalem near the Interior Ministry after a small explosive wounded one person in the building.

MAYOR: Shanghai's Goodwill Official Off to U.S. to Win Friends

Continued from Page 1

non-Chinese. It comes, in part, from spending nearly two years in Sweden and Britain as a visiting scholar in the 1980s, a time that also nourished his devotion to classical music.

"I like Mozart and Tchaikovsky," Mr. Xu said with a grin. "Civil servants are not allowed to listen to music in their offices, to keep them quiet. But I can be more efficient if I have music."

"When I want to get pepped up, I put on Mozart," he explained, breaking into a snatch from "Eine Kleine Nachtmusik": "dum, dah-dum, dah-dum-DUM-DUM-DUM-DUM!"

If he doesn't seem like an ordinary Chinese politician, it may be because Mr. Xu came to politics late in life. Originally a college professor, he joined an advisory group to Mayor Zhu Rongji of Shanghai on how to develop the city into an international business center and got to know Mr. Zhu, now a deputy prime minister and China's economic czar.

As Mr. Xu has told the story, the two men were on a trip to Europe when Mr. Xu asked him over breakfast to head Shanghai's Planning Commission, a producer of thick, arguably useless documents.

"But I don't believe in planning," Mr. Xu replied.

"That's what we need, someone with new ideas," said Mr. Zhu, who became his political mentor.

As Mr. Zhu was promoted, moving to Beijing as a Politburo member, so was Mr. Xu. He became mayor in February 1995. Although he runs the city government, he is subordinate to Huang Ju, the Communist Party chief in Shanghai.

At a news conference last year, Mr. Xu was asked to talk about his private life, ordinarily taboo for a politician in China.

"For Chinese leaders, this is a tricky question," he said. "We don't usually talk about this." Then he smiled and proceeded to talk about it anyway.

Mr. Xu said that his wife is a professor at Shanghai University. "We have an agreement: she doesn't participate in my work — not like that Mrs. Clinton — and I don't interfere in hers."

He was also unexpectedly honest about why he joined the Communist Party so late, at age 45.

"They wouldn't let me in," he said with a chuckle. "I did not come from a family of workers or farmers. My parents were intellectuals."

He has not lost his taste for academia.

Despite a hectic schedule, he still tutors a few graduate students and prefers his closest aides to call him Teacher Xu rather than Mayor Xu.

Teacher Xu inevitably drops historical references into conversation, whether it is about the growth of an American securities market a century ago or Germany's postwar recovery. There is no easy historical precedent, however, for the transition under way in Shanghai, a city of 14 million residents, plus 3 million or so transient workers.

"In America, a mayor is essentially responsible for public safety and public service," Mr. Xu said. "A mayor in China has to take care of these things and much more."

There is a vast construction agenda: a subway, a cross-harbor tunnel, an airport and a rash of skyscrapers and highways are all being built, requiring 1.2 million people to move from their homes. There is a constant campaign to win domestic and foreign investment. And on top of that, Mr. Xu has to supervise the shift from a planned to a market economy in Shanghai.

"I don't have any time to play golf or tennis," Mr. Xu said, laughing again. "It would be easier to be mayor of New York."

CHINA: Clinton's Trade Agenda Has Beijing at the Top of List

Continued from Page 1

of Japan — long the champion of trade surpluses — twice in this year's monthly trade figures. Although still dominated by peasant agriculture, this nation of 1.2 billion people may well become the world's largest economy within two decades.

The problem is not that China is getting richer and more successful, but how it is going about it.

Although the Chinese economy has undergone far-reaching reforms since the days of Mao, the authorities still interfere heavily in markets to protect state-owned factories from competition and to nurture national industries in such strategic sectors as aerospace and semiconductors.

For example, when such U.S. companies as Boeing or AT&T want to sell products in China, bureaucrats in Beijing often insist that they build plants there and transfer advanced technology. As a result, China — like Japan before it — threatens to become a destabilizing force in global commerce; trade experts fear that the world's free-trade regime will come under increasingly severe

pressure if one of its biggest participants continues to play by such totally different rules.

Hence the priority the administration is attaching to China's WTO application. Bringing Beijing into the global trade group could significantly enhance U.S. interests, and not only because it would entail a lowering of Chinese tariffs and other barriers to U.S. goods.

Providing a multilateral forum for bringing grievances against Chinese trade practices would relieve Washington from the burden of constantly playing the bad guy with Beijing, which tends to hurt U.S. companies competing with European and Japanese firms for Chinese contracts. Small wonder that Robert Kapp, president of the U.S.-China Business Council, recently told a House panel that his group's corporate members were "eager to see China admitted to the WTO."

But granting China entry involves a lot more than just getting Beijing to sign a membership card. China must first reach market-opening agreements with each WTO member — the United States being the most important — and then

wrap its commitments together in a package applicable to all.

Beijing also must negotiate the elimination of practices that run counter to global trade rules, such as the requirement that companies obtain special government permission to import and export goods. That is hardly a simple bit of red-tape cutting; a lot of China's inefficient state-run factories, which employ millions of workers, depend on such government manipulation of the market for protection against foreign competition.

Thus some analysts warn that Washington had better not set the bar too high for the Chinese, lest Beijing walk away from the negotiations. But others contend that the Chinese leadership badly bankers after WTO membership, both for the sake of global prestige and the protection that membership would provide against trading partners arbitrarily imposing barriers on Chinese goods. Above all, these analysts say, the United States — which absorbs about one-third of Chinese exports — would be crazy to pass up the chance to extract big changes in Beijing's economic practices.

JAPAN: Hashimoto Re-elected Prime Minister in an Air of Reform

Continued from Page 1

Many see this alliance as giving Mr. Kan more leverage over Mr. Hashimoto and another reason change is now more likely to occur.

Because the Liberal Democratic Party does not command a majority in Parliament, many believe that some of those lawmakers giving Mr. Hashimoto their tenuous support will withdraw if he fails to make concrete progress in cutting bureaucratic rules around everything from car inspections to health care.

Virtually no one believes there will be dramatic or quick change that will suddenly throw open the doors of Japan Inc. to the world. But now even some skeptics expect progress.

In addition to the fact that Mr.

Hashimoto's government could fall if it ignores the clamor for change, there is a growing sense, even among holdovers like union officials, that deregulation is needed because the economy is suffering under the weight of too many rules.

Foreign companies recently have won small but steady success in pushing their business here, and in the last two years U.S. stores like The Gap and Eddie Bauer have suddenly appeared on the streets of Tokyo. However, suffocating regulations still govern many industries and that red tape is blamed for keeping foreigners out, costing consumers mightily and stifling the economy.

For instance, there are tens of thousands of regulations that govern the bus industry, and they not only make it nearly impossible for a foreign bus com-

pany to put one of its vehicles on the road but they make it difficult for Japanese citizens to get a new bus stop.

The makers and enforcers of all these regulations are the 850,000 government bureaucrats.

During the campaign, the single most ardent cry of opposition leaders and the public was to diminish the power of these non-elected makers of rules.

Mr. Hashimoto is considered a staunch friend of the bureaucracy and had his parliamentary backing been deeper, many say he would never commit to any real bureaucratic change.

But now, Mr. Tahara said, if Mr. Hashimoto "betrays the call for reform, he could fall."

Public demand for change also has been slowly building and now for the first time, Mr. Medley said, the measure of a successful prime minister is going to be how much reform he can accomplish.

Global Surveyor Blasts Off for Mars

The Associated Press

CAPE CANAVERAL, Florida — A U.S. spacecraft rocketed away Thursday on a 435-million-mile, 10-month journey to Mars, the first step in a decade-long exploration effort by NASA to determine whether there was ever life on the Red Planet.

The Delta rocket carrying the Mars Global Surveyor blasted off at noon, one day after strong wind scuttled the first launching attempt. On Thursday, the weather was perfect.

The Global Surveyor replaces a Mars probe that mysteriously disappeared three years ago. It should reach Mars in September 1997 and, after six months of casing into a mapping orbit, begin scrutinizing the Martian surface and atmosphere.

Japan's Cabinet

Reuters

Following are Prime Minister Ryutaro Hashimoto's new cabinet appointments, after his re-election Thursday by Japan's Parliament. All are from the Liberal Democratic Party.

Agriculture, Forestry & Fisheries	Takao Fujimori
Chief Cabinet Secretary	Seisaku Kajiyama (R)
Defense	Junichi Kiyama
Education	Takashi Konoike
Finance	Haruhiko Motooka
Foreign	Yoshihiro Iwata (R)
Health and Welfare	Junichiro Koizumi
Home Affairs	Kazuhiko Shinkawa
International Trade and Industry	Shinji Sato
Justice	Yutaka Okano
Labour	Yutaka Okano
Posts and Telecommunications	Hideo Horikuchi
Transport	Makoto Kogi

(R — Returned from previous cabinet)

New U.S. Base On Saudi Soil: Open View and Tight Security

By John Lancaster
Washington Post Service

PRINCE SULTAN AIR BASE, Saudi Arabia — It takes only a quick peek from a short wooden lookout tower to understand why this is the new home of most U.S. troops in Saudi Arabia.

Perched on a gentle knoll near the compound where the 4,200 troops live in orderly rows of air-conditioned tents, the tower provides unobstructed views of the surrounding desert, offering a clear deterrent against surprise attack.

Two thousand feet from the edge of the compound is the first of at least three barbed-wire fences, augmented with technologically sophisticated sensors that military commanders prefer not to discuss.

The multilayered defenses — including bomb-sniffing dogs, numerous checkpoints and, above all, the vast buffer zone of empty desert — are intended to prevent a repetition of the truck-bomb attack by suspected Islamic militants that killed 19 airmen and wounded hundreds at a U.S. military housing complex in Dhahran last June.

A Pentagon investigation faulted military commanders for failing to protect the troops by, among other things, expanding the perimeter around the facility. Such action would have kept the bombers and their vehicle at a greater distance from an eight-story housing tower that was demolished in the blast.

Defense Secretary William Perry and the Saudi defense minister, Prince Sultan bin Abdulaziz, agreed Aug. 1 to move most U.S. troops from Dhahran and Riyadh to this vast, unfinished air base, which extends across 250 square miles (650 square kilometers) of tawny, scrub-covered desert near Kharij, 70 miles (112 kilometers) southeast of the capital.

The troops are mostly air force personnel involved in the U.S.-led coalition effort to bar Iraqi military flights over southern Iraq. About 230 British and 170 French airmen also have been relocated here.

The move was a logistic challenge, involving the transfer of 4,500 personnel and 78 aircraft, including maintenance facilities, from Dhahran and Riyadh to an unfinished area of the base without sewerage, water or electricity.

Although living conditions remain austere, they have been eased somewhat by such amenities as an aboveground swimming pool and, any day now, a cable television hook-up in each of the tents.

But the main emphasis is on security.

"We defend with standoff, we defend with depth, we defend because we can see out there, which we could not do in Dhahran or Riyadh," said Brigadier General Daniel Dick, an F-16 pilot who arrived in the region just seven hours before the June bombing.

General Dick, who commands the 4404th Air Wing, said he was eager to publicize some of the security features to counter reports of complaints by airmen and their families of lapses at the facility, including gaps in fences and mysterious ladders found leaning on some of them. He said that the gaps had been fixed and that, in one case, an anonymous whistleblower appeared to have mistaken a manned security gate for a hole. The ladders, he said, were left by private contractors installing electronic sensors.

"The security here is excellent — really, really good," he said while driving around the base. To avoid further confusion and rumor-mongering, General Dick said, he plans to hold weekly "town hall" meetings at which troops can share concerns on security and other matters.

A firsthand look suggests that some of the fears may be exaggerated. Besides the sheer size of the base, security measures are numerous and appear to be thorough.

Vehicles entering the area used by the coalition forces, for example, must pass through two Saudi checkpoints before they reach the so-called Golden Gate, which is guarded by U.S. Air Force police. That is where vehicles are examined by bomb-sniffing dogs. If they are carrying fuel or water, tanks are probed to check for explosives.

The vehicles must be escorted at all times.

If things should go awry, security police are standing by with 50-caliber machine guns in armored personnel carriers, and "quick-response teams" also are stationed in the area.

To our readers in Italy

It's never been easier to subscribe. For more information please call:

(02) 31 10 99

or fax:

(02) 31 35 78

Herald Tribune
710 SOUTH ST. NEW YORK, N.Y. 10038

FRIDAY, NOVEMBER 8, 1996

Leisure

PAGE 11

The Lush Delights of Minho

By Michael Sommers

BRAGA, Portugal — In the Minho, the cabbages are jade green and monstrous. They grow to wild heights of six feet, and patches of them adorn the blue-tiled train stations through which we shuttled as we made our way, by bus and train, through the small towns scattered about this remote region of northernmost Portugal. When the train slowed down, I could reach out the window and touch the plants. Vines, too, were taller than I had ever seen. Instead of white picket fences or concrete walls, I saw thick, crawling Bacchanalian creepers, turned crimson and yellow by the autumn sun. And though I was there in November, roses were everywhere, like pink and yellow weeds, climbing church walls, spilling into cafes. It was when the landscape turned to vines, roses and cabbages that I knew I had reached the Minho.

Undulating north of Porto up to the Spanish border, and west from the Atlantic to the Serra da Gerês mountain range, the Minho, also known as the Costa Verde (or Green Coast) is a beautifully lush, rarely traveled region where ancient white villages glisten amid an almost tropical foliage of forest splintered by icy rivers, the largest of which is the Minho.

A four-hour fast train from Lisbon took my Brazilian friend, Marco, and me to church-studded Braga, capital of the Minho, and the former seat of the Portuguese Catholic Church. Its imposing cathedral, whose ancient spires sit atop the pleasant lazy sprawl of stone like a double crown, remind one of the local proverb: "Of all the cities in Portugal, Braga will be the first to get to heaven." We ambled through the intricate maze of the historical center, whose rough-hewn stone churches and palaces glowed a soft honey color in the surprisingly warm autumn sun.

The heat eventually led us to a cafe under the arcades of the main square, where we studied the bus schedule for Ponte de Lima, about a 45-minute ride away. Ponte de Lima is one of the most nearly perfect of the medieval villages of the north. Spread lazily along the tree-lined banks of the River Lima, it is named for the impressive Roman bridge of 27 arches that spans the water.

DECORATED DOORS

Jagged ramparts surround the town, while massive towers, arches and fortified doors decorate the houses and narrow winding streets. In the center is the 15th-century palace that once belonged to the Marquis of Ponte de Lima. Its Manueline windows are decorated in the late Gothic style invented during the reign of King Manuel I, the one uniquely Portuguese architectural style: the influences of navigational wanderings are reflected in beautifully stylized anchors, sailor's knots, exotic and aquatic flowers sculptured in stone.

Ponte de Lima owes its beginnings to the flocks of pilgrims who stopped here on their

journey from Porto to Santiago de Compostela in Spain. Hotels sprang up to lodge them and cobblers flourished mending their shoes. Although today the Route to Santiago conjures up the French trail that wound through the Pyrenees, the Portuguese created routes of their own, like the one followed by Sir Thomas More and other English pilgrims who passed through Ponte de Lima. In fact, it was for pilgrims crossing the Lima that the town's famous bridge was built in the first place.

We followed the Lima east for about 12 miles to Ponte da Barca, another charming white town with green framed windows and doors and an arched Roman bridge. At a sleepy cafe, we tried a local specialty, *toucinho de céu* (literally, bacon from heaven), rich tarts with threads of candied pumpkin woven into a base of sweetened egg yolk.

It is no wonder that traveling Romans originally christened this river the Lethe, after the mythological river of forgetfulness.

Stretched out along the grassy banks of the sunny Lima, surrounded by a mixture of glittering Baroque architecture and Edenic greenery, we nearly missed the bus north to Moncao, our next destination.

MEDIEVAL GATEWAY Luckily the bus was a few minutes late. After a slow but spectacular hour and a half ride we entered the medieval gateway leading to the village of Moncao, almost immediately stumbling onto the central square of the town, decorated with fountains and immaculate parks. The streets are cobblestone and the buildings on three sides are tattooed with elaborate wrought-iron balconies. The northern side of the square is bordered by ramparts that hover high above the bluish Minho. The square — with a statue of Deu-la-Deu, Moncao's local Joan of Arc, who saved the town from the Spanish in the 1600s — is cluttered with cafes and *croissantarias*, two of which offer lodging as well. Renting rooms in private houses is fairly common in the north. Local tourist offices all have addresses and prices and are very happy to call and make arrangements. Often the woman of the house will come and pick you up at the office herself.

For those in search of more luxurious lodgings, the Minho has more than 200 *solares*, small palaces originally built as plantation houses by family patriarchs, many of which today are considered "classified patrimony." Some of the most lavish of these are the *solares brasileiros*, which were built by Minhoites who upon striking it rich in Brazil, flaunted their newfound success to their Old World neighbors by concocting multi-turreted mini palaces, iced in blue ceramics tiles, some of which have been converted into hotels.

With the last strands of amber glow we walked around the town, strolling eastward for 20 minutes along the river to the town's thermal baths, which have been used as a spa since the Romans passed through, looking to relieve some stress. Still in use today — more often for residents suffering from rheumatism and bronchitis than for tourists seeking to be pampered —

the baths, in the midst of a peaceful green park, are in a historic building that is now undergoing renovation.

Returning to the town center, we stopped at a small Roman church, where we found the stone-carved coffin in which Deu-la-Deu was buried.

Portions of the walls were covered in elaborate azulejo mosaics — azulejo is the Portuguese word for the luminescent, originally blue ceramic tiles that adorn buildings and monuments all over the country, an inheritance from the Moorish domination of Portugal before the 1100's. The altar is an elaborately sculptured parade of wooden saints and angels covered in burnished gold.

As dusk fell the cafes began to glow with activity, which lasted well into the night. At the Cafe Central Restaurant, in the main Deu-la-Deu square, we drank the renowned local Alvarinho *vinho verde* and ate *caldo verde* soup made from the cabbage crops and Minho trout, served with slices of smoky prosciutto-like ham, and tender grilled *cabrito* (kid) bathed in garlic.

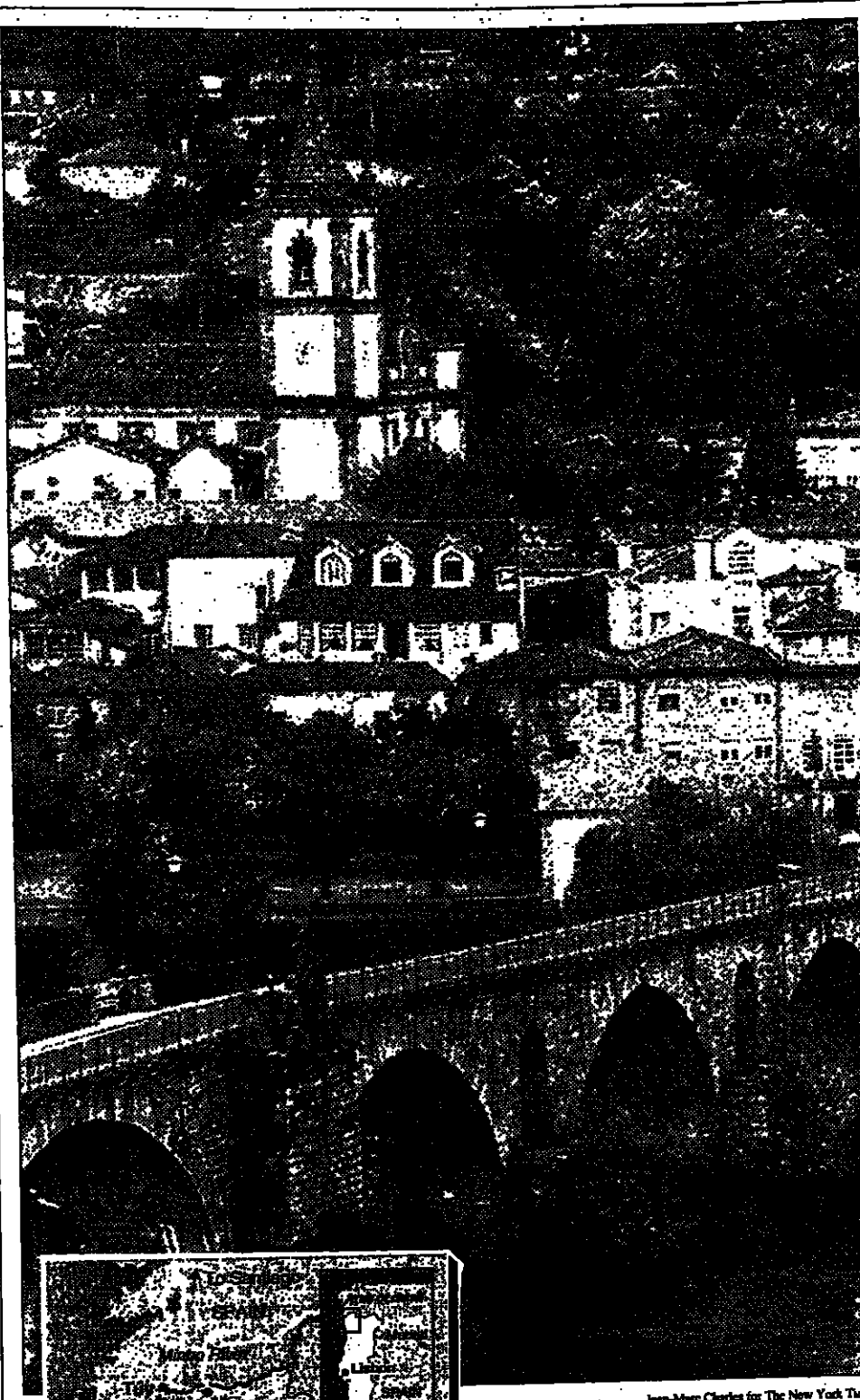
After dinner we walked along the ramparts in the dark before settling down at one of the several outdoor cafes off the main square, where we drank shots of *bagueira* (eau de vie made from grape husks) and *amendoo* (bitter almond liqueur) while staring across the moon-dappled Minho at Spain.

Drowsy from the alcohol, we strolled back to our adopted Moncao home. Tip-toeing past the blue light of our hostess's television set, we flung ourselves into the small beds in our simple but cozily furnished room. The next day, we wove our way through fragments of stray morning clouds, and followed the Minho west nine miles until we reached the town of Valença, another fortified frontier town, crowning a wildly verdant, two-headed mountain. Packed with tourist shops that cater to bargain-hunting Galicians, who cross the border for cheap cigarettes, Valença is alluring once you get off the main commercial street and hike around its tortuous ramparts.

RENAISSANCE buildings covered with azulejos mingle with 13th-century churches. From the walls of the city, the fortified Galician city of Tuy glared across the Minho at us. Spanning the water is a bridge built by Gustave Eiffel — the last work ever designed by the architect of Paris's landmark tower.

After the bridge, after Valença, after the vestiges of what was once a Portuguese-Spanish frontier policed by border officials, the particular charm of the Minho region rapidly fizzles out into the ancient Spanish province of Galicia. White villages and ornately Baroque churches are replaced by raw, multistoried concrete slabs and billboards touting large Spanish supermarkets. The vines persist, but the roses and cabbages have disappeared. By the time we reach the outskirts of Vigo, 12 miles away, the Minho was centuries behind us.

Michael Sommers, who lived and worked in Lisbon last year, wrote this for The New York Times.



Roman bridge over the Lima River in Ponte de Barca, a white town with green framed windows and doors.



A marketplace in northern Portugal. In the Minho region, the cabbages are jade green and grow to great heights, and visitors can sample local specialties such as "toucinho de céu" (literally, bacon from heaven), a rich tart with candied pumpkin.

Dinosaur Tracks in the Gobi

By Seth Faison
New York Times Service

ULAAN BAATAR, Mongolia — Early this century, an American explorer named Roy Chapman Andrews fought off pistol-toting brigands as he led a caravan through the Gobi Desert in Mongolia in search of dinosaur remains. Later known as the inspiration for Indiana Jones, the archaeologist hero of adventure movies, Andrews carefully recorded his exploits and his deep appreciation for the hidden beauties of the desert.

Andrews described the stunning vastness of the Gobi's plains, the excitement of finding dinosaur eggs and the cheerful generosity of ordinary Mongolians, who lived in round white tentlike homes and lived on the animals they herded.

These days, the brigands are gone. So are the geopolitics that kept Mongolia off-limits to Western travelers until a few years ago. But the desert is still a land of hidden charms, and ordinary Mongolians still live in white tents lined with felt, as they have for hundreds of years, and welcome guests with an endearing hospitality.

There are even a few dinosaur remains left. The Gobi Desert stretches about a thousand miles wide across northern Asia, and is bisected by the border of Mongolia and the area of northern China called Inner Mongolia. Either side can be visited, but the Mongolian side probably has a little more romance and a few million fewer people.

SEEMINGLY ENDLESS OPEN SPACE The Gobi is a place of subtle colors, starkly clear air, utterly soundless landscapes and seemingly endless open space. The mountains that cut across the desert look like soft brown finger cakes in the distance. Yet as you move across the sweeping plains, seeing the hills from different sides, they reveal tints of vermilion, mauve and khaki. There are a few places where curvaceous sand dunes beckon, but most of the land consists of a thin layer of grass over a dusty plain, punctuated by occasional patches of sagebrush.

There are no paved roads, and there really isn't any need for them. The Jeeps that ply dirt paths across the broad plains often turn off the road and simply drive in whatever direction they want. The land is mostly even and bumpless.

The main reward for visiting the Gobi is mixing the natural beauty and quiet isolation of the desert with the cheerful temperament and simple existence of Mongolian nomads, who live an almost medieval life, virtually undisturbed by telephones, electricity, E-mail. Their white tents, commonly known in the West as *yurts*, their Turkish name, are called *gers* in Mongolia.

For the visitor who wants a flavor of life in an utterly different land, hiring a Jeep for two days and a night, as I did a few weeks ago, will



An 18-year-old Mongolian: camel or motorcycle?

suffice. It is easy to find an interpreter in Mongolia's capital, Ulaan Baatar, and then to make the 90-minute flight from there to Dalandzadag, the provincial capital in the central Gobi.

When your flight descends toward Dalandzadag, do not bother looking for a runway. There is none. Planes simply land on the open, dusty flatlands. The airport staff opens a hatch on one side of the plane and tosses bags out onto the ground.

There is little to see in Dalandzadag, once a watering hole and now a town of 5,000. Better to just hire a Jeep (the drivers hang around the "airport"), though the price depends on the availability of gasoline. Tomur, a 50-year-old with a weather-beaten face, agreed to drive me and a guide for \$150 for two days.

Out in the desert, life is pretty quiet for the Mongolians, who tend and milk animals all day. So whoever shows up at a ger's wooden door (which is sometimes elaborately carved) is automatically welcomed in for a drink. An offer of a meal and a place to stay often follows.

EVEN though it was nearly sundown, Byambaa, a handsome woman of 50 in a blue Mongolian tunic and green kerchief, did not look surprised when Tomur and Lutaa, my guide, randomly chose her ger for a visit.

Her husband, Sharaa, had already gone to bed. When we arrived, Byambaa nodded her head in greeting and, though she had no idea we were coming, acted as if opening her door in welcome was as natural as rainfall. In fact, visitors and rain are equally rare in the Gobi.

Worn and faded red carpets and woven pillows gave Byambaa's ger a homey, comfortable feeling. A small stove sat in the center, with a teapot ready to be heated. A painted wooden cabinet faced the doorway and was topped with photographs of the family's chil-

dren, almost like a shrine.

Byambaa set about preparing the normal welcome: a bowl of fermented mare's milk, which tastes like milky beer with a faintly sour tang, like yogurt, and grows on you with each sip. She also set out a bowl with several kinds of homemade cheese, made from the milk of mares, cows, goats and camels.

When it was time for bed, Byambaa rolled out a thick cotton mattress and several blankets for me and for Lutaa, and we fit snugly around the stove. Tomur, the driver, preferred to sleep in the back of the Jeep.

The main differences between the ger of today and that of 100 years ago, Sharaa said, are having a canvas exterior and a metal stove in place of an open fire. Some well-to-do herdsmen can now afford windmills that produce enough electricity for a light, and even a deluxe version that powers a television set.

In the morning, Byambaa stirred at the first light of dawn. The sun had just breached the horizon. Her herd of goats congregated nearby. A half-dozen camels lounged in the distance. The air was clear, the sky cloudless.

A row of sand dunes was visible in the distance. They looked close enough to touch, but it took nearly a half hour in the Jeep to reach them. Climbing them is far more tiring than expected; it probably took only 10 minutes to walk to the top of a medium-sized dune, but it felt like an hour. Well worth it, however, for a close view of the soft curves in the sand made by an unguided wind.

FIRST KNOWN DINOSAUR EGGS

The dinosaur remains lie in a valley by the Red Cliffs, so named for the color they turn when hit by the sun's rays. The closer to sundown, the more brilliant the color. It was here that Andrews discovered several species of dinosaur, theorizing that some of the giant animals drowned in what was then a large lake and were preserved in the soft sand that collected at the bottom roughly 60 million years ago. He also found the first known dinosaur eggs.

Lutaa had worked on an archaeological dig, so he remembered where to find traces of dinosaur fossils in the side of a sandy valley. They looked like little more than bone-shaped rocks, protruding from the side of the hill, but you couldn't really dig one out and take it with you. To the untrained eye, the dinosaur remains were nothing extraordinary.

Yet out in the middle of nowhere, perhaps 50 miles from the nearest town, hundreds of miles from a small city, it was easy to stare out in the distance and muse about the slow changes that came to this corner of the earth over the ages since the dinosaurs passed. A rugged valley, with light green plains stretching far into the distance, framed by an intense, blue sky, and not a soul as far as the eye can see.

سكنا من الاربعين

RECORDINGS

TOMMY FLANAGAN TRIO "Sea Changes" (Alfa Jazz): In October, this was voted the jazz album of the month by the Japanese monthly *Swing Journal*. In Europe it is available on import only (Harmonia Mundi). While it is just not available at all in the U.S., Flanagan's majestic combination of pianistic finesse and force is the sort of trademark you'd think America would be proud to call its own. But the applause seems always to spring up elsewhere first. Tommy Flanagan for president.

GIANNARITA TESTA "Extra-Muros" (WB): Minority language folk-flavored songs with hums, plucks, slaps strums and fiddles. You can imagine swaying shadows of Italian lovers on candle-lit streets.

STEVE COLEMAN AND THE MYSTIC RHYTHM SOCIETY IN COLLABORATION WITH AFRO-CUBA DE MATANZAS "The Sign And The Seal. Transmissions of the Metaphysics of a Culture" (BMG/



Flanagan: finesse and force.

FRANCE): Steve Coleman and musicians from New York recorded in Cuba this year with musicians from Matanzas to investigate common elements in roots of African-American and Afro-Cuban music. Coleman wants to trace ancient

West African religions and traditions through music transmitted across the Atlantic and between cultures. So far, Coleman's explorations may be among the most promising of their kind since Mario Bauza introduced Charlie Parker to Machito.

THE HEADS "No Talking Just Head" (MCA): Something like this had to happen sooner or later, what with sound bites, samples and photo ops replacing whatever we used to call stringing thoughts together. The sticker on the box warns us that "this is a new record by The Heads, not Talking Heads." After Talking Heads broke up in 1991, we were left with, you guessed it, a lawsuit. But David Byrne, Jerry Harrison and Tina Weymouth still sounds like their spiffy old Smart Rock fusion of "Psycho," CBGBs and the Rhode Island School of Design.

Mike Zwerin/IHT

MOVIE GUIDE

WILLIAM SHAKESPEARE'S ROMEO AND JULIET
Directed by Baz Luhrmann.
U.S.

While Shakespeare spins, the madly flamboyant filmmaker Baz Luhrmann ("Strictly Ballroom") invents a whole new vocabulary for a story of star-crossed young love. It calls for pink hair, screaming billboards, tabloid television stories, music-video editing and a little hot dog shack called Rosencrantz's on Verona Beach. Wherefore art thou? A good question, and not just for Romeo. Why bury "Romeo and Juliet" amid all this creative ferment? Where is the audience willing to watch a classic play thrown in the path of a subway train? "I liked the original better," Franco Zeffirelli's, said a man behind me leaving a screening of the euphemistically titled "William Shakespeare's Romeo and Juliet." Maybe so, but Zeffirelli's lush, traditional 1968 film was made in, and for, another world. Luhrmann's frenetic hodgepodge actually amounts to a witty and sometimes successful experiment, an attempt to reinvent "Romeo and Juliet" in the hyperkinetic vocabulary of post-modern kitsch. This is head-ache Shakespeare, but there's method in its madness. So Romeo and Juliet, meet Tommy. And brace yourselves for the Ken Russell treatment that Luhrmann uses to pummel this text. Drawing on a wild cavalcade of pop iconography, he tries a fascinating array of tricks, with results that are guaranteed to be uneven. This risky gambit collapses whenever the film becomes too shrill or runs out of new



DiCaprio and Danes in "Romeo and Juliet."

whimsy. Even at its startling best, it's as exhausting as it is bold. Fortunately, the young lovers, played radiantly by Claire Danes and Leonardo DiCaprio, have the requisite magic and speak their lines with passionate conviction. They remain rapt and earnest when some of the film's frantic minor players might as well be speaking in tongues.

JUDE
Directed by Michael Winterbottom.
U.K.
You'd never guess from "Jude," the flaccid movie adaptation of "Jude the Obscure," that the unfortunate lovers were as passionate, stormy and doomed as Heathcliff and Cathy in "Wuthering Heights." Thomas Hardy's novel — a sexually frank, and marriage diatribe

— raised such virulent criticism in the 19th century that he turned the rest of his career to the safer art of poetry. Watching the wan Christopher Eccleston as Jude and Kate Winslet as his cousin and lover Sue Bridehead, an audience might well wonder what all the fuss was about. Or what the movie is about. The director, Michael Winterbottom, languidly unspools the story; nothing seems to lead to anything, episodes just unfold and then give way to other episodes. The young Jude (James Daly) is beaten by a farmer for feeding the crows he's supposed to be driving from a field. His favorite teacher, Phillotson (Liam Cunningham), sets off for Christminster and an academic career. Jude marries Arabella (Rachel Griffiths), a lusty peasant woman, but things don't work out. He goes to Christminster and falls in love with his cousin Sue, who nonetheless marries Phillotson. Jude finally persuades Sue to run away with him. Once more, things don't work out. All this takes place in a series of grim stone and brick English villages that let you know that the story is meant to be bleak, bleak, bleak. Eccleston has the look for Jude — his bony, hollow-cheeked face seems pinched with spiritual deprivation. Jude the idealist strives throughout to "better himself," to escape brutality and mud and ignorance and live a heroic life of the mind and body. His failure makes "Jude the Obscure" one of the most profoundly pessimistic works in English literature and arguably the greatest book ever written

about how the ordinary demands of life — women, children, money — can crush a man's spirit. Eccleston seems crushed from the beginning, waiflike and victimized, too darned sensitive to live. He and the equally idealistic Sue don't come across as defiant lovers but as babes in the woods, innocent children rather than sexual rebels. "Jude" denatures Hardy. (Lloyd Rose, WP)

MOTHER NIGHT
Directed by Keith Gordon.
U.S.

Kurt Vonnegut's fiction has never really found its way to the movies. The author's curmudgeonly popularity as a great campus favorite for baby boomers has had much to do with the simplicity and cosmic jokeyness of his writing, qualities that should translate forthrightly to the screen. On the other hand, such spare and fanciful novels leave much to the imagination. And Vonnegut's wry moral ambiguity is as elusive as his whimsy. The "hi ho" or "so it goes" that works as a strut on the page has no easy counterpart on screen. So "Mother Night," directed by Keith Gordon from a screenplay by Robert B. Weide, represents a thoughtful and ambitious effort to catch lightning in a bottle. The lightning in this case: Vonnegut's book about a character called Howard W. Campbell Jr., a famous Nazi propagandist who also happens to be an American spy. Howard is a successful playwright who spent World War II engaged in a dramatic challenge: inventing a racist character for himself and then playing the role to the hilt. The book wonders what remains of Howard's decency after such a poisonous deception. "Mother Night" begins in 1961, after Howard (fervently played by Nick Nolte) has been imprisoned by Israeli authorities who do not ponder the fine points of his quandary. With an unseen Adolf Eichmann (voice supplied by Henry Gibson) for his cellblock neighbor, Howard sits at his typewriter and constructs an account of his past. The film makes sparing and careful use of the racist and anti-Semitic propaganda that is spewed by Howard in his professional capacity and that comes back to haunt him in ways he could never have imagined. If it does not describe Howard's journey toward accountability with the full array of Vonnegut embellishments, it's still worthy enough to do this story justice. (Janet Maslin, NYT)

TO OUR READERS IN HOLLAND

It's never been easier to subscribe and save. For more information just call: 020 673 0757.

Herald Tribune
THE WORLD'S DAILY NEWSPAPER

HOLIDAYS AND TRAVEL

LA BELLE FRANCE

"The pick of the travel newsletters" raves *Travel & Leisure*
• Independent information for any one traveling to France
• 12-year-old, monthly, 8-page newsletter
• Formerly famous for unearthing hidden hotels and restaurants
Our writers — based in Paris — anonymously visit select venues both in Paris and the provinces, pay full rates, and then report to subscribers with absolute candor. Focusing solely on France, LA BELLE FRANCE stays abreast of the changing French hotel and culinary scenes like no other publication! \$7 for a one-year subscription; add \$24 for overseas addresses. Never waste an hour of your precious vacation! Tel: 1-800-235-7825 Fax: 1-800-296-0948 Order by check Visa, Mastercard or American Express P.O. Box 3485, Chatham, N.Y. 12014 USA

Low Cost Flights

GIVE AWAY FARES ONE-WAY from Europe to U.S. Tel: 814-838-2600 Fax: 814-838-2600 Tel: 814-838-2600 Fax: 814-838-2600

Ski

SKI HOLIDAYS (Special heading for Ski Resorts) will be appearing on Friday, November 22nd & December 6th. For more details please contact: Inside Europe, Classified Sales Dept. INTERNATIONAL HERALD TRIBUNE, TEL: PARIS (01) 41 40 80 80 FAX: PARIS (01) 41 40 80 80 E-mail: classified@iht.com Or your local IHT office representative

Holidays and Travel

SKI USA

The special heading for ski holidays will appear on November 15

For information, please contact: Turner Service Tel: New York 212-752-2900 Tel: New York 212-752-2900 Fax: 212-752-2900

DISCOUNTED VACATIONS

FREE CATALOG of all discounted cruises & land vacations — plus exclusive bonuses! Ambassador Tours San Francisco 1-800-929-3000 (415) 861-5678 www.ambassadortours.com CST 1002139-10

Hotels

Lebanon

HOTEL AL MUSTAR East of Beirut. 5 star deluxe. Exceptional location, scenery, comfort, fine cuisine, conveniences, business services, satellite TV. 70 min transfer from airport free. UTELL Fax: (1-212) 478-1381 (50-1) 478-0007

U.S.A.

BREATHTAKING VIEW OF NEW YORK, 20 ft. glass wall. Central Park & City. Luxuriously furnished pent. apt. cab. For business, musician or honeymoon couple. 1 block to Carnegie Hall, 2 to LaMotte, 5 to Lincoln Center, Museums, Theaters, Weekly, Monthly, 3 day weekends (minimum) or long term. Tel/Fax: 212-322-3591 USA

Holiday Rentals

Caribbean

ST. BARTHELEMY, F.W.I. OVER 200 PRIVATE VACATION VILLAS — beachfront to inside with pools. Our agents have inspected all villas personally. For reservations on St. Barts, St. Martin, Anguilla, Barbados, Maricao, the Virgin Islands, Call WINDWARD TRAVEL U.S. (401) 949-6112 Fax: 947-8230, from France 05 90 18 20 - ENGLAND 0 800-88-8318

French Provinces

IN THE HEART OF THE LOIRE VALLEY, 17th cent manoir to rent. Weekly, all comforts. 3 bedrooms, 3 bathrooms. Kitchen, dining room, terrace on-cd. FR\$500 per couple (minimum 4 couples). Tel: 02 4786 7047, Fax: 02 4786 5726

International Herald Tribune ads work

CHARMING HOTELS IN PARIS

Hotel Saint-Louis***
... a place where time stops and the days flow along like the water of the Seine.
SLEEP IN A 17th CENT. TOWNHOUSE CRADLED IN THE ARMS OF THE SEINE ON AN ISLAND IN THE HISTORIC CENTER OF PARIS.
Comfortable rooms, warm efficient welcome.
75 rue Saint-Louis-en-l'Île, 75004 Paris
Tel. 01 46 34 04 80. - Fax 01 46 34 02 13

HOTEL RESIDENCE HENRI IV***
Between the Seine & the Pantheon
In the heart of the Latin Quarter.
Elegant rooms and suites giving onto a charming Parisian square.
Calm location and friendly efficient welcome.
The perfect spot for business and entertainment.
Cable TV, mini-bar, private number phone, parking nearby.
PRICES FROM 600 FF
Complimentary breakfast for Herald Tribune readers
For stays of 6 days or more, inquire about our special long stay rates.
50, rue des Bernardins, 75005 Paris. (Metro: RER St. Michel/Notre Dame)
Tel: (33-1) 44 41 31 51. Fax: (33-1) 46 33 93 22

RESIDENCE LORD BYRON
5 rue Chateaubriand, Paris 8th.
Tel: 01 43 53 83 90
Tel: 01 43 53 83 90
Tel: 01 43 53 83 90
Tel: 01 43 53 83 90

HOTEL MAYFLOWER
3 rue Chateaubriand, Paris 8th.
Tel: 01 43 53 83 90
Tel: 01 43 53 83 90
Tel: 01 43 53 83 90
Tel: 01 43 53 83 90

Hotel Verneuil Saint-Germain
5 rue de Verneuil, 75007 PARIS
Tel: 01 42 60 82 14 Fax: 01 42 60 82 14

On one of the calmest and prettiest streets of the Left Bank, near the Seine, the Musée d'Orsay and the Louvre. Warm freestone & beams decor. Friendly & efficient service.

AUSTRIA

VIENNA Austria Kunstforum, tel: (1) 71191-5737, open daily. Continuing To Dec. 8: "Degas, Cezanne, Picasso: Pictures from a Swiss Private Collection." Approximately 80 paintings from the 19th and 20th centuries, including works by Mondrian, Munch, Kandinsky, among others.

BELGIUM

BRUSSELS Luntheater, tel: (2) 229-12-11. A new production of Porgess's "La Serva Padrona" and "L'Amico Truffatore." Directed by Fausto Tomasi, conducted by Sigiswald Kuijken. Nov. 12, 13, 14, 16, 17, 19, 20, 21, 22 and 23.
Palais des Beaux-Arts, tel: (2) 507-8469, closed Mondays. Continuing To Jan. 5: "Victor Horta." Photographs, designs, scale models, objects and furniture document the aspects of the Belgian architect's evolution from art nouveau to a more classical style.

OSTENDE Museum voor Moderne Kunst, tel: (59) 50-81-18, closed Mondays. Continuing To Feb. 2: "D'Ensa D'Ensaux." 150 works by James Ensor (1860-1949), a pioneer of both Expressionism and Abstract Expressionism; also features works by Leon Spilliaert (1881-1948), Constant Permeke (1889-1952) and Paul Delvaux (born 1897), better known for juxtapositions of female nudes and architectural or railway scenes.

BRITAIN

LONDON National Gallery, tel: (171) 747-2885, open daily. Continuing To Jan. 19: "Making & Meaning: Rubens's Landscapes." Better known as a painter of religious, mythological and classical subjects, Rubens painted landscapes — 40 are shown here — for his own pleasure.
National Portrait Gallery, tel: (171) 308-0055, open daily. To Feb. 8: "Portraits: Form, Function and Ornament in European Portrait Frames." Examines the style, function, technique, perception and choice of frames, with 70 paintings ranging from the 16th century to the present day.
Royal Academy of Arts, tel: (171) 434-56-15, open daily. Continuing To Jan. 1: "Alberto Giacometti (1901-1966)." Features 200 sculptures, paintings and drawings.
Tate Gallery, tel: (171) 887-8000, open daily. Continuing To Jan. 5: "Grand Tour: The Line of Italy in the Eighteenth Century." More than 250 paintings, prints, drawings, sculptures and other objects document the journey made by noblemen of many nations in search of antique and modern culture. Features works by Cornelia Canaletto, Piranesi, Reynolds and Fragonard.

CANADA

TORONTO Art Gallery of Ontario, tel: (416) 979-8848, closed Mondays and Tuesdays. To Jan. 20: "Peter Beard: Camels Africans." 200 works by the American artist (born 1938) who settled in Kenya in the early 1960s and recorded the wildlife of the African bush. The exhibition also includes collages and large-scale polaroids.
Maison Européenne de la Photographie, tel: 01-44-78-78-00, closed Mondays, Tuesdays and holidays. To Nov. 17: "William Klein: New York 1954-1955." A selection of large photographs of New York; and "Arnaud Cassin: Photographies: 1968-1995."
Musée Camille, tel: 01-42-72-21-13, closed Mondays. To Feb. 23: "Frank Horvat: Paris-London." A series of 120 black-and-white photographs by Horvat, the photographer and fashion photographer, depicting Paris and London in the 1960s and '80s.
Pavillon des Arts, tel: 01-42-33-82-50, closed Mondays. To Feb. 4: "Willy Ronis: 70 Ans de Déclic." 250 black-and-white photographs trace the last 70 years of the French photographer's life and reflect the social movements of the 1930s and the reconstruction efforts of the '50s, as well as the artist's private travels throughout France and the rest of Europe.
Mona Bismarck Foundation, tel: 01-47-23-38-88, closed Sundays and Mondays. To Nov. 23: "Bernat de Bogne: Un Aventurier du 18e Siècle dans l'Inde des Maharajas." 200 paintings, manuscripts, weapons and objects relating to the 20 years the French adventurer spent in India at the end of the 18th century.

FRANCE

CHARENTAIS Musée Conde, tel: 01-44-02-62-69, closed Tuesdays. Continuing To Jan. 8: "Jean-Antoine Watteau (1684-1721) at Son Cercle dans les Collections de l'Institut de France." Drawings and paintings by the 18th-century French artist and contemporaries, such as Nicolas Lancret and Jean-Baptiste Pater.

PARIS Grand Palais, tel: 01-44-13-17-17, closed Tuesdays. Continuing To Jan. 20: "Picasso et le Portrait." Among the 150 paintings, drawings and engravings of portraits, wives and companions, children and friends, is a selection of self-portraits.
Jeu de Paume, tel: 01-47-03-12-50, closed Mondays. Continuing To Dec. 1: "Sean Scully." The "Floating Paintings" and "The Floating Paintings." The *Le Mois de la Photographie*, celebrated in Paris during the month of November, on alternate years. The

ARTS GUIDE



Paris Month of Photography: Willy Ronis's self-portrait.

1996 edition offers 80 exhibitions in private galleries, museums and foreign cultural centers. Here is a small selection:

BERLIN Martin-Gropius-Bau, tel: (30) 324-50-78, closed Mondays. Continuing To Jan. 5: "Marlene und Gertraude, 1789-1889: Zwei Welten, Eine Revue." Cultural relationship between the two countries.

BREMEN Neues Museum Weserburg Bremen, tel: (421) 598-390, closed Mondays. To Feb. 7: "Pissarro, Guston, Miro, De Kooning: Painting for Themselves: Late Works." More than 40 paintings featuring female nudes by Pissarro; figurative paintings by the lesser-known Abstract Expressionist, Philip Guston (1913-1980); predominantly black-and-white works by Miro in his final years; and abstract paintings by De Kooning.

MUNICH Haus der Kunst, tel: To Jan. 31: "Francis Bacon." More than 80 paintings and works on paper (including several triptychs) where the even, neutral setting contrast strongly with the figures that stand out in drips and smears.
Nationaltheater, tel: (89) 22-13-16. A new production of Strauss's "Ariadne auf Naxos." Directed by Tim Albery, conducted by Sir Colin Davis, with Hermann Prey, Christine Schäfer and Julia Veraray. Nov. 10 and 13.

STUTTGART Staatsoper, tel: (711) 203-20. Verdi's "Falstaff." Directed by Johannes Schütz, conducted by Oleg Castrati, with Philip Joll, Angela Denoke and Helene Schneiderman. Nov. 10, 13, 16, 18 and 23.

TUBINGEN Kunsthalle, tel: (714) 203-20. "The English-language magazine for affluent tourists"

WHERE
This year 44 million hotel guests in 40 cities will turn to WHERE Magazines for directions & advice.

WHERE
The English-language magazine for affluent tourists

WHERE
The English-language magazine for affluent tourists

London: Tel 44 171 436 55 59 Fax 44 171 436 45 67
Paris: Tel 33 1 63 83 89 40 Fax 33 1 63 83 89 50
Rome: Tel 39 6 529 30 06 Fax 39 6 529 30 09
Vienna: Tel 43 1 540 21 2320 Fax 43 1 540 21 23
Moscow: Tel 7095 126 4828 Fax 7095 126 4872
Budapest: Tel 36 1 351 1000 Fax 36 1 351 1001
Dublin: Tel 353 1 478 4322 Fax 353 1 478 1055
Costa del Sol: Tel 34 6 282 2498 Fax 34 6 282 2498
Buenos Aires: Tel 401 410 4428 Fax 401 410 4428

(07071) 9891-0, closed Mondays. Continuing To Nov. 24: "Picasso — Degas — Toulouse-Lautrec." More than 300 paintings, drawings, photographs, sculptures and installations by the three Pop artists.

ITALY

VENICE Palazzo Grassi, tel: (41) 522-1575. Continuing To Dec. 8: "Magna Grecia: I Greci in Occidente." Greek civilization from the second millennium before Christ and its contribution to the development of European culture.

JAPAN

TOKYO Museum of Contemporary Art, tel: (3) 5245-4111, closed Mondays. To Dec. 15: "Chody Sherman." A retrospective of the works of the American post-modern artist (born 1954).
Tokyo Metropolitan Museum of Photography, tel: (3) 3280-0031, closed Mondays. To Dec. 23: "Japan Through the Eyes of W. Eugene Smith." The American photojournalist (born 1918) had an enduring relationship with Japan in the 1930s and '70s. The exhibition features three thematic series: World War II, Hiroshima and Minamata.

NETHERLANDS

AMSTERDAM Rijksmuseum, tel: (20) 673-2121, open daily. To Feb. 2: "Acquisitions: Drawings, Prints and Photographs (1893-1896)." Newly acquired drawings and prints dating back to the 16th century, as well as 19th and 20th-century photographs and autochromes.

SCOTLAND

EDINBURGH Scottish National Gallery of Modern Art, tel: (1) 332-2266, open daily. To Jan. 18: "Anne Redpath." Around 70 works by the contemporary Scottish artist.

SPAIN

BARCELONA Centre de Cultura Contemporània, tel: (9) 412-0781. To Jan. 13: "Fernando Pessoa's Libsons." As part of the cycle "Cities and their writers," the treatment of Lisbon through the eyes of Pessoa (1898-1936), one of its most emblematic poets.

SWITZERLAND

LAUSANNE Théâtre Municipal, tel: (21) 310-18-00. Hysteria: "Lincolnton Improviso." Directed by Jean-Louis Thérin, conducted by Jonathan Darlington, with Charles Workman, Anna Rita Tellerio and Anna Maria Perzarella. Nov. 15, 17, 19, 22 and 24.

LUGANO Museo Cantonale d'Arte, tel: (91) 22-03-55, closed Mondays. Continuing To Nov. 17: "Odion Redor: La Natura dell'Invisibile." 140 works by the French Symbolist painter (1840-1910).

UNITED STATES

ATLANTA High Museum of Art, tel: (404) 525-1537. To Jan. 13: "Helen M. Frankenthal: Works from The Museum of Modern Art." 100 paintings, drawings, sculpture, cutouts, prints and illustrated books, as well as a stained-glass window and sets of liturgical vestments designed by the French painter, on loan from the Museum of Modern Art in New York.

NEW YORK American Craft Museum, tel: (212) 966-3535, closed Mondays. To Feb. 16: "Michael Lucero: Sculpture." 1978-1981. Lucero's figurative forms borrow from the art of various cultures, including pre-Columbian and Native American. The exhibition features more than 40 glazed ceramic, bronze and mixed media works.

METROPOLITAN MUSEUM OF ART Tel: (212) 362-6000. A new production: "Carmen." Directed by Franco Zeffirelli, conducted by James Levine, with Het-Kyung Hong/Angela Gheorghiu and Waltraud Meier/Denise Graves. Nov. 15, 22 and 26.

WASHINGTON Hirshhorn Museum and Sculpture Garden, tel: (202) 357-2700, open daily. To Jan. 20: "Directions: Rudolf Schwarzkogler." An exhibition of 37 photographs of "Actions" that were staged by the Viennese avant-garde (1940-1969) during the Performance and Body Art movement's first flourish in the 1960s.

NATIONAL MUSEUM OF AFRICAN ART, tel: (202) 357-4600, open daily. To Feb. 25: "Memory: Luba Art and the Making of History." In the presence of writing, the Luba of Zambia, a Central African kingdom from the 17th to 19th centuries, used sculpted objects to preserve the memory of their history. Includes: stools, staffs and figures, 14th to 19th centuries. The exhibition examines the literary and pictorial traditions supported by the Luba courts and highlights the influence of Luba culture across the Islamic world — including present-day Iraq, Iran, Syria and Asia.

WASHINGTON OPERA, tel: (202) 416-7800. A revival of a 1981 production of "La Bohème." Directed by Gian Carlo Menotti, conducted by Daniel Oren, with Vincenzo La Scala, Daniela Dessi and Oskara Arceve. Nov. 14, 17, 19, 22, 25, 27 and 30.

CLOSING SOON

Nov. 10: "Im Kunstfeld: Photographs in 20. Jahrhundert." Kunsthaus, Zurich.
Nov. 10: "Enrik Satie." IVAM Centre Julio Gonzalez, Valencia, Spain.
Nov. 11: "Eduard Manet." Fondation Pierre Gianadda, Martigny, Switzerland.
Nov. 12: "Projects: Pieter Laurens Mol." Museum of Modern Art, New York.
Nov. 15: "Art from Austria: 1895 to 1996." Kunst- und Ausstellungshalle der Bundesrepublik Deutschland, Bonn.

EU and U.S. Approach a Phone Pact

Initiative Underscores Increased Cooperation on Trade Issues

By Tom Buerkle
International Herald Tribune

BRUSSELS — The United States and the European Union are close to an agreement on offering to open their telecommunications markets in a bid to resuscitate global negotiations aimed at liberalizing the \$500 billion a year industry, U.S. and EU officials said.

The planned initiative, which officials hope to unveil at a meeting of telecommunications negotiators at the World Trade Organization next week in Geneva, is the latest evidence that the United States and Europe are intensifying cooperation on trade issues despite the acrimonious dispute over U.S. sanctions on foreign companies that trade with Cuba.

"We very much hope that by the middle of this month there will be a simultaneous improvement of our offers," Sir Leon Brittan, the EU trade commissioner, said. "We have no desire to extend conflict beyond the area of Helms-Burton or allow it to hold up progress" in other trade matters, he said, referring to the U.S. law that provides for the sanctions.

Sir Leon plans to discuss telecommunications issues as well as separate negotiations on removing tariffs on information technology products, when he meets with the acting U.S. trade representative, Charlene Barshefsky, on

Friday and Saturday in Chicago.

The two trade officials will also participate in a gathering of U.S. and European executives and discuss proposals for the mutual recognition of product standards that are sought by the industry on both sides of the Atlantic.

Sir Leon underscored the cooperative spirit in a speech Thursday in New York, saying that Europe was prepared to work with the United States "as soon as possible to nurture democracy, freedom and human rights" in Cuba.

Stuart Eizenstat, the undersecretary of commerce for international affairs who helped establish the trans-Atlantic dialogue as U.S. ambassador to the EU last year, said the forum had helped limit the fallout from Helms-Burton by generating industry pressure on governments to accelerate trade liberalization.

Mr. Eizenstat said prospects were "increasingly good" that the United States and Europe, along with Japan and Canada, would reach an information-technology agreement by the ministerial meeting of the WTO in Singapore next month. The agreement would eliminate tariffs on information-technology products, including semiconductors and computer equipment, by 2000.

He also said he was optimistic that Europe and the United States would improve their telecommunications offers next week, a move that would encourage the rapidly developing econ-

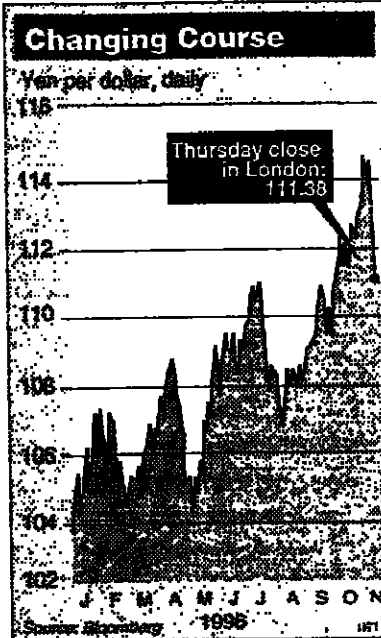
omies in Asia to follow suit.

The telecommunications talks are significant because of the importance of the industry and because a U.S. withdrawal from the negotiations in April soured relations between Washington and Europe.

The key to the initiative was in Europe's ability to persuade six EU countries, most notably Spain, to lift restrictions on foreign investment and to open their telephone markets to competition by 1998. Spain is the largest EU market that has not yet promised to allow competition by 1998. U.S. officials contend that the state-owned telephone utility, Telefonica de Espana SA, is taking advantage of its monopoly situation to finance its ambitious expansion throughout Latin America, in competition with U.S. phone companies.

Sir Leon and Karel Van Miert, the EU competition commissioner, have been negotiating intensively with Spanish officials in recent weeks, telling Madrid it must commit itself to early liberalization in return for EU approval of Telefonica's proposed participation in Unisource, the European telephone consortium led by AT&T Corp. "We're making good progress with the Spanish," Sir Leon said.

If Europe improves its offer, officials said Washington would reciprocate by offering to lift restrictions on the ability of foreign telephone companies to land undersea phone cables in the United States, a key European demand.



Tokyo Plans Alarm Many Economists

New Spending Risks Stifling Asia Growth

International Herald Tribune

TOKYO — As Ryutaro Hashimoto started his second term as prime minister Thursday, the last thing many Asian economists wanted from him was a fresh pledge to give Japan's economy a boost by building new schools, roads and railways.

Instead, analysts say, Mr. Hashimoto, who was renamed prime minister after his Liberal Democratic Party's victory in last month's polls, should be focusing on cutting taxes and on deregulation to help Japan's economy shrug off its worst slump in more than 50 years.

Economists oppose a 4 trillion to 5 trillion yen (\$35 billion to \$43.9 billion) public-works spending plan that is reportedly in the pipeline, saying that increasing public-works spending threatens not only to slow Japan's nascent recovery but to stymie economic growth across Asia.

"The U.S. and European economies could easily withstand a slowdown in the pace of Japan's economic recovery because they are so big," said Yoi Shinkai, a professor of international economics at Osaka University. "But for Asia, the impact could be significant."

Economists say that although a spending program would create jobs for construction workers, it would have little impact on the Japanese economy. The past four years' fiscal stimulus packages totaled \$580 billion, but the money, spent largely on public construction projects, has resulted in an average annual growth rate of 0.7 percent.

Economists also warn that Japan owes so much money — an estimated \$2.1 trillion — that it cannot afford to borrow lavishly for new public-works projects. Japan is expected to spend almost one-quarter of its budget this year paying for previous programs.

While increased spending could jeopardize a Japanese recovery, it could also stifle economies in Asia, they say. Japan has long been a key market for raw materials from across Asia. In recent years, it has also become a market for manufactured goods and the region's most important source of direct foreign investment.

"Many Asian economies are already struggling to keep their economies growing, and another slowdown in Japan would only make matters worse because suddenly demand for their exports and supply of investment funds shrink as Japanese firms retrench," Mr. Shinkai said.

Japan's gross domestic product is expected to grow 2.5 percent this year, and many economists forecast economic stagnation next year.

Qu Hongbin, an economist at UBS Securities in Hong Kong, said a slow-

See SPEND, Page 19

Dollar Tumbles As Japan Signals End to Yen's Slide

By Velisarios Kantoulas
International Herald Tribune

TOKYO — The dollar fell sharply against the yen Thursday after an influential Finance Ministry official said the yen's 40 percent slide over the past 18 months was coming to an end.

"We're not thinking of leading the yen any lower," said Eisuke Sakakibara, director-general of the ministry's International Finance Bureau.

Looking at the fundamentals, the phase of the one-way correction of the yen's strength is ending," the Nikkei Financial Daily quoted Mr. Sakakibara as saying.

Mr. Sakakibara's comments raised questions about whether there had been a shift in Tokyo's dollar policy. Mr. Sakakibara later declined to explain exactly what he had meant, saying only that Japan's economy was far stronger than many private-sector economists had thought.

The man who is known in Japan as "Mr. Yen" for masterminding the dollar's rally from its postwar low of 79.75 yen in April 1995 this time prompted aggressive selling of the dollar. The U.S. currency fell from a morning high of 113.80 yen in Tokyo to 111.60 yen in London, a decline of nearly 2 percent.

It closed in New York at 112.125 yen, down from 113.970 yen Wednesday, a fall of 1.6 percent.

Traders were waiting for President Bill Clinton's administration to indicate whether it would continue its support for a stronger dollar, but Treasury Department officials declined to comment.

If U.S. Treasury Secretary Robert Rubin does not issue a statement repeating that a strong dollar is in the national interest, traders will take his silence as a license to sell dollars, Paul Park, a yen trader at Mellon Bank in Pittsburgh, told Bloomberg Business News.

"If you don't see those comments come in, his inaction could be the highest

form of action," Mr. Park said. "If Rubin does come out with something, anything less than dollar-bullish comments could be the final nail in the coffin of the dollar's rally for 1996."

"I think there was the opportunity to refute" Mr. Sakakibara's comments, "but they decided not to," Keith Edmonds, chief analyst at IBI International, told Bloomberg. "There is a worry that with the yen so weak, Japan's trade and current account surpluses are starting to rebuild quite strongly and that the newly elected U.S. administration will become much more hawkish about trade issues."

The re-elected Clinton administration "will continue to say they want the dollar to be strong, but the key point is they won't say they want to see the dollar much stronger," Mr. Edmonds said.

A weak yen tends to make Japanese exports more competitive overseas, driving up Japan's trade surplus. For example, Sony Corp. on Thursday reported much higher profit for its first half because the weaker yen helped raise overseas sales. (Page 20) An increasing Japanese trade surplus could spark calls from the United States to rein in its exports and open its markets.

Yoshito Sakakibara, an economist at Salomon Brothers Asia in Tokyo, said there was every indication the yen was poised to rise.

"I'm not sure if the Japanese official was trying to talk up the yen," said Mr. Sakakibara, no relation to the Finance Ministry official. "But today's move was significant because, following yesterday's news that Japan's trade surplus rose for the first time in 14 months, it has made people think about the yen's impact on the trade surplus."

The Finance Ministry announced Wednesday that Japan's customs-cleared trade surplus for the first 20 days of October rose 22 percent from a year earlier, to 231.15 billion yen, the first such rise since August 1995.

Italian Postal Bonds Attract Investors, Briefly

By Carl Gewirtz
International Herald Tribune

PARIS — Over a two-week period, as Italian interest rates were falling steeply, sharp-eyed London bankers chartered aircraft to jet down to Italy's provincial capitals to scoop up trillions of lire of obscure securities that officials had neglected to adjust to rapidly changing market conditions.

By the time the Italians realized what was happening at the end of October, 5.6 trillion lire (\$3.67 billion) of postal savings certificates, 3.5 percent of the total stock, had been purchased, swapped and resold to international investors; and the bankers basked in the assumption that they had just made something like \$60 million in a riskless arbitrage on the difference between the inordinately high administered rate on the savings bonds and the market rate for government bonds.

But the foreign bankers who thought they had spotted a risk-free arbitrage opportunity had purchased the paper without ever reading the small print, which allows the government to retroactively alter the terms at which the postal securities were sold by lowering the yield they pay.

Since then, the Italian Treasury has reported that "more than one" bank has resold its securities to the Treasury, although it vigorously denied having exerted pressure on the banks.

Bank officials, who asked not to be

named, confirmed that discussions were under way to undo the transactions, spurred by not-so-subtle intimations from Italian officials that their future opportunities for doing business in Italy — by participating, for example, in the privatization of state enterprises — could be jeopardized.

The Italian Treasury, however, is clearly unwilling to engage in a bruising public fight with the banks because of the government's push to be part of the first wave of participants in Europe's planned monetary union and because of the current wave of enthusiasm that is driving international demand for still relatively high-yielding Italian debt.

Thus, the official word from the Treasury, from an official who asked not to be identified, was that "what the banks did was perfectly legitimate." But the pique seeped through when he explained that the foreign banks, which he said numbered fewer than 15, "were using instruments not in the spirit for which they were intended — as investments for small investors."

The official added that after discussions with senior managers about what their institutions had done and why, "Some institutions decided to revert these transactions. But let's be clear, We have not asked a single bank to undo its investment. What they did was perfectly legitimate. It's up to each institution to decide whether or not to go ahead with

See ITALY, Page 16

High-Tech Soybeans Upset Germans

By William Drozdzik
Washington Post Service

BERLIN — The first shipment of genetically engineered soybeans from the United States has arrived, triggering a wave of protests and calls for boycotts from consumer groups across Germany, and threatening one of America's most lucrative exports to Europe.

The controversy over the new bean, which is endowed with a gene that protects the crop from a weed-killing chemical, is the latest salvo in a burgeoning trade conflict that is engulfing the United States and its European allies because of contrasting views about how to harness the wonders of biotechnology.

The United States insists that scientific evidence shows the high-tech beans pose

no risk to consumers and should be treated just like ordinary soybeans. Only 2 percent of American land used in soybean production has been planted with genetically modified seeds.

Even though the German government and its European Union partners have approved selling the altered beans, a consumer backlash here has spawned fresh demands — strenuously opposed by the United States — that the new beans be labeled to distinguish them from ordinary ones.

U.S. exporters say such labeling would amount to discrimination and cause an enormous rise in costs, jeopardizing their business. In the case of soybeans, which are used in nearly 60 percent of all processed foods, it could put at risk nearly \$2 billion of exports to Europe.

The alarm in Germany generally is not shared elsewhere in Europe. In Britain, sales of genetically engineered tomatoes are reported to be brisk. France has invested particularly heavily in biotechnology industries and does not want to generate any panic among European consumers that would put that investment at risk.

But more than 100,000 people in Germany have signed petitions demanding a ban on the genetically altered beans. Fearful of a consumer backlash, major food-processing companies such as Nestle SA and Unilever Group have canceled more than \$100 million in soybean orders in the past month because U.S. suppliers refused to label their beans.

See SOY, Page 19

WALL STREET WATCH

RJR Nabisco: Fight Among Friends?

By Glenn Collins
New York Times Service

NEW YORK — Has Bennett LeBow, the investor and sometime corporate raider, picked a feud with his erstwhile ally, the financier Carl Icahn? This is a question of intense interest to investors in RJR Nabisco Holdings Corp., who this week saw the start of not one but two potential proxy challenges to the company's board.

Mr. LeBow and Mr. Icahn were allies in a failed proxy battle in April against RJR Nabisco's board. They parted company in June — as friends, they said.

But on Tuesday, Mr. LeBow took shareholders by surprise with his 11th-hour filing of a dissident slate of board nominees in yet another attempt to force RJR to immediately spin off its food business from its tobacco operations.

That was only a day after Mr. Icahn renewed his own battle to force an immediate spin-off by filing his separate board slate.

Mr. Icahn owns 7.4 percent of RJR Nabisco shares; Mr. LeBow has 1.3 percent. The idea of a LeBow-Icahn battle is hardly far-fetched, as the two have not always been best friends. In fact, they were arch-enemies during the reorganization under bankruptcy-law protection of New Valley Corp., the former holding company of Western Union Capital Corp., which Mr. LeBow now heads.

Mr. Icahn persuaded Mr. LeBow to forgo more than \$1 million a year in management fees. But after Mr. Icahn

was paid 100 cents on the dollar for his bonds, the two men quickly reconciled.

Now, however, according to Martin Feldman, a tobacco analyst for Smith Barney Inc., Mr. LeBow's proposed board slate has "undercut" Mr. Icahn's set of nominees, "as if he's saying that Icahn isn't up to the job." Mr. Icahn declined to comment on Mr. LeBow.

On the face of it, the idea of a new challenge from Mr. LeBow seems like tilting at windmills.

"I don't think that RJR shareholders will give him a chance," said Diana Temple, a securities analyst at Salomon Brothers Inc.

Many analysts attributed the failure of the April proxy battle to a settlement made by Mr. LeBow's cigarette company, Liggett Group Inc., with a consortium of plaintiffs' lawyers representing smokers and five state attorneys general suing tobacco companies.

The Liggett agreement was followed by a dramatic decline in the value of tobacco shares, including those of RJR Nabisco and Philip Morris Cos.

Mr. LeBow, said to be in Moscow, could not be reached for comment.

Several executives with knowledge of Mr. LeBow's RJR Nabisco strategy said his filing of a slate of board nominees was a formality intended to keep his options open. It was made necessary by RJR Nabisco's unusually early filing deadline to register proxy slates, nearly six months in advance of the April 1997 annual meeting.

Several executives who know both Mr. Icahn and Mr. LeBow said they had

not renewed their enmity despite Mr. LeBow's filing. They said the two had recently had a cordial social meeting.

But if malice was not the reason, why did Mr. LeBow submit another board slate?

"LeBow loves the tobacco business, and he doesn't want to let go of his dream of running RJR Nabisco," said an executive who knows Mr. LeBow.

"He's hoping against hope that before the next annual meeting, some doomsday problem or lawsuit will lower RJR's stock to \$17, and then they'll come to him wanting to do a deal with him, merging with Liggett." Stock in RJR Nabisco was up 50 cents at \$30.625 at the close Thursday.

The five states' attorneys general have agreed to include RJR Nabisco in the Liggett settlement if the company should ever be merged with Mr. LeBow's cigarette maker. That would shield RJR Nabisco from some liability.

"If this is LeBow's thought process," said Mr. Feldman, the analyst, "he is misguided in the extreme."

The challenge of Mr. LeBow and Mr. Icahn "is not a tactic I'm going to respond to," Steven Goldstone, RJR Nabisco's chief executive, said this week. "I'll let our shareholders decide how to deal with them."

Mr. LeBow's filing sets up a three-way competition for RJR Nabisco's 450,000 shareholders at the company's annual meeting, although Mr. Icahn or Mr. LeBow could attempt to call a special meeting sooner with a 25 percent vote of all shares.

CURRENCY & INTEREST RATES

Nov. 7									
Cross Rates									
Australian dollar	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
British pound	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Canadian dollar	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
French franc	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
German mark	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Italian lira	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Japanese yen	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Swiss franc	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
U.S. dollar	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Other Dollar Values									
Argentine peso	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001	0.0001
Australian dollar	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
British pound	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Canadian dollar	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
French franc	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
German mark	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Italian lira	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Japanese yen	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Swiss franc	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
U.S. dollar	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
Forward Rates									
30-day	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
60-day	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
90-day	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
180-day	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27
360-day	1.00	0.78	1.27	0.82	0.78	1.27	0.82	0.78	1.27

Loss Seen At Japan Developer

Copyright © 1995 by The New York Times Company

TOKYO — Mitsui Fudosan Co., Japan's biggest real-estate developer, reversed its earnings forecast Thursday to a loss of 70.3 billion yen (\$616.9 million) for the year through March because of losses on its property assets.

The company's president, Junichiro Tanaka, said the company would restructure by selling real-estate assets at a loss and by cutting debt.

It also will sell its stake in Oriental Land Co., operator of Tokyo Disneyland. Mr. Tanaka said, Oriental Land shares are expected to be sold to the public next month.

Mitsui Fudosan's current, or pretax, profit in the six months to Sept. 30 fell 35 percent, to 3.67 billion yen, from the year-earlier period. It had forecast a pretax profit of 8.5 billion yen for the year to March. (Bloomberg, AFP)

Chopard
GENEVE
depuis 1860

The timeless lines of mechanical perfection - Our tradition since 1860

Available at
CHOPARD BOUTIQUES

Geneve - Arles - Baden-Baden - London - Paris - Rome - New York - Dubai - Hong Kong - Jakarta - Kuala Lumpur - Singapore - Taipei - Tokyo - For information: Chopard Geneve, Tel 22 782 17 17, Fax 22 782 58 39

سكزا من الاربعين

U.S. Fund Agrees to a Costly Pullout From Prague

By Leslie Eaton
New York Times Service

NEW YORK — The Czech and Slovak American Enterprise Fund, part of a \$1 billion U.S. program to promote capitalism in Eastern Europe, has agreed to sell its Czech investments to Renaissance Partners, a private venture-capital firm, at a large loss.

The sale comes as a new board takes over at the fund, which has been plagued by mismanagement, high expenses and poor investments even as the Czech economy has prospered.

The \$65 million fund was set up in 1991 to make investments, under the direction of U.S. executives, in small Czech and Slovak companies.

A U.S. government investigation

that was critical of the fund's original chairman, John Perry, led to its removal last year, and helped prompt a protracted fight among the directors, in late February, the fund's entire board quit.

An interim board appointed in May to make recommendations about the fund's future decided to sell the Czech portfolio and concentrate on the fund's holdings in Slovakia, said John Cavanaugh, that board's chairman.

"Given the current value of the portfolio, the cost of managing it internally or contracting it out would not be beneficial to the fund's interest," Mr. Cavanaugh said.

The fund's holdings will be restructured in Slovakia, where the economy is in worse condition than in the Czech Republic.

The size of the fund's loss on the \$10.9 million it invested in the Czech Republic will not be disclosed until the deal is completed, which may occur this month, said Richard Dine, the fund's managing director.

A statement issued by the fund in Prague announcing the sale of its portfolio said only that the sale would be at a discount because of the "poor performance" of "several" of its investments.

But government and investment officials familiar with the deal said the loss was likely to be 80 percent to 90 percent.

The fund was already valuing its entire portfolio, including \$19.1 million invested in Slovakia, at about 37 percent below the investments' face value.

Renaissance Partners is buying the portfolio mainly to add to its investments a company that it and the fund had financed called B&BC, a Czech concern that makes concrete building materials, said Alois Strnad, the firm's general partner.

Renaissance is a private venture-capital fund that was financed by European banks and American institutions.

In addition to selling the Czech investments, the interim board decided to close the fund's Washington office and transfer its administrative duties to the Hungarian American Enterprise Fund, a similar but far more successful enterprise in Budapest, Mr. Cavanaugh said.

Commitments for future investments have been canceled, he said; the fund had about \$12 million com-

mitted for future investments as of Sept. 30, 1995, the date of its last annual report.

The fund's new chairman, Veronica Biggins, did not return telephone calls seeking comment. Ms. Biggins, a consultant in the Atlanta office of Heidrick & Struggles, an executive-search firm, served in 1994 as President Bill Clinton's director of presidential personnel.

The new board was named last month, but it has not yet been announced by the White House, according to a representative of the Agency for International Development, which oversees the fund.

The other new board members, she said, are Richard Yancey, a former managing director of Dillon, Read & Co., and Paul Walker, a business consultant in New York.

Driven by Mercedes, Daimler Sales Jump

Compiled by Our Staff From Dispatches

FRANKFURT — Daimler-Benz AG posted double-digit sales growth Thursday for the first nine months of 1996, in the latest indication that Germany's largest company is recovering from a record loss in 1995.

Daimler said revenue rose 11 percent, to 75.9 billion Deutsche marks (\$50 billion) from an adjusted 68.5 billion DM. Excluding its sales of several units, nine-month revenue was up 4 percent from 72.8 billion DM a year earlier.

The company said its car and truck unit, Mercedes-Benz AG, had accounted for most of the increase. Sales at Mercedes-Benz climbed 8 percent, to 57 billion DM.

Analysts said measures Daimler had undertaken to make itself more competitive were paying off and that operating profit in the second half would easily exceed the 827 million DM posted for the first half.

"These figures are quite positive," said Lothar Lubinski, an analyst at Enkilda Corporate. "They show Daimler is finally on the right track."

In August, Daimler posted a first-half net profit of 782 million DM, rebounding from a record 5.7 billion DM net loss in 1995. Chief Executive Juergen Schrempf said at the time that full-year net profit

could be double the first-half level. Daimler executives have also hinted that the company might reinstate a dividend this year after omitting one for the first time in its postwar history last year. Daimler shares rose 0.16 DM to 92.85.

At Daimler-Benz Aerospace AG, sales rose 18 percent from a year earlier, to 8.28 billion DM, adjusted for its disposal of several units. Excluding those transactions, revenue at the unit was down from 8.91 billion DM a year earlier.

(Reuters, Bloomberg)

Jobless Aid Faces a Cut

The government plans to slash spending aimed at helping Germany's unemployed despite new data showing no improvement in the labor market, news agencies reported.

Finance Minister Theo Waigel, struggling to cut spending so that Germany can qualify for a single European currency, said funds for the Federal Labor Office would be cut by 1 billion DM next year.

His announcement came as reports showed that German unemployment unexpectedly jumped last month, with an additional 41,000 people reported jobless on a seasonally adjusted basis, although the unemployment rate remained at 10.1 percent.

(AFP, AP)

Swiss Bank Corp. Expects a Loss

Compiled by Our Staff From Dispatches

BASEL, Switzerland — Swiss Bank Corp. said Thursday that rising provisions for Swiss credit risks, lower-than-expected trading income and a restructuring charge would cause it to post a full-year loss.

Although the parent of SBC Warburg said nine-month profit had risen 27 percent from the year-earlier period, the bank said it would not meet its full-year profit goal of 1.4 billion Swiss francs (\$1.1 billion).

SBC said it would have a loss this year of about 1.9 billion francs after taking a charge of 3.3 billion francs to reorganize, tighten its Swiss credit policy and eliminate 1,700 jobs to try to raise profit.

SBC's reorganization is de-

signed to counter rising credit-risk provisions, which have cut into its increasing profit on investment-banking operations. SBC bought S.G. Warburg PLC for \$1.3 billion last year.

"Ordinary profit after taxes for the 1996 financial year will be some percentage points below original estimates but still substantially higher than in 1995," when SBC posted net profit of 1.05 billion francs, SBC said.

Analysts said they were not surprised that earnings growth slowed in the third quarter as world financial markets calmed down from a hectic first half.

"Some people are disappointed that SBC lowered its profit forecast, but it had to be expected after

UBS reported last month," Madeleine Hoffmann, an analyst at Credit Suisse, said.

"The environment is the same for all Swiss banks."

Union Bank of Switzerland, the country's biggest bank, said last month that third-quarter profit was lower than in the first two quarters. It also warned that provisions for Swiss credit risks would hurt full-year earnings. CS Holding will report its results this month.

Commercial business at Swiss banks has been under pressure as Swiss real-estate prices have plummeted and small businesses have been squeezed in a shrinking economy. Swiss businesses tend to be financed by domestic bank loans.

(Bloomberg, Reuters)

Retooling Costs Punish Scania's Profit

Compiled by Our Staff From Dispatches

STOCKHOLM — Scania AB said Thursday its third-quarter pretax profit plummeted 94 percent because of the cost of switching production to a new truck series and the effects of a stronger Swedish krona.

Profit before taxes was 40 million kronor (\$6 million) in the three months ended Sept. 30, down from 706 million kronor in the year-earlier period, the company said.

The results, which were poorer than expected, helped send Scania shares down 5 percent, or 9 kronor, on the Stockholm Stock Exchange, to 167.

Scania said it took charges of 450 million kronor in the first three quarters, including 300 million in the third quarter alone, to finance switching production to its new 4-series truck.


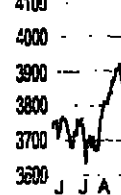
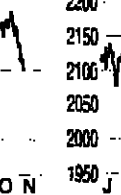
The company said an additional 50 million kronor in charges would

follow in the fourth quarter, with the switchover being completed before the end of the year. "We were a little too ambitious and aimed a bit too high when we planned the transition," Scania's chief executive, Leif Oestling, was quoted as saying by the Swedish news service Direkt.

A rise in the Swedish currency reduced third-quarter pretax profit by 170 million kronor, the company said.

(AFP, Bloomberg)

Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40		
				
1996 J J A S O N	1996 J J A S O N	1996 J J A S O N		
Exchange	Index	Thursday Close	Prev. Close	% Change
Amsterdam	EOE	588.60	586.43	+0.14
Brussels	Stock Exchange	9,980.88	9,989.86	-0.01
Frankfurt	DAX	2,713.22	2,729.19	-0.59
Copenhagen	Stock Market	446.64	446.37	+0.06
Helsinki	HEX General	2,224.47	2,227.23	-0.12
Oso	OBX	486.46	487.89	-0.29
London	FTSE 100	3,900.40	3,938.70	-0.90
Madrid	Stock Exchange	365.14	364.69	+0.12
Milan	MIBTEL	10,662.00	10,635.00	+0.27
Paris	CAC 40	2,211.81	2,213.37	-0.07
Stockholm	SX 18	2,262.70	2,267.90	-0.23
Vienna	ATX	1,076.04	1,076.16	-0.01
Zurich	SPI	2,438.87	2,442.66	-0.16

Source: Telekurs International Market Tribune

Very briefly:

- Post & Telekom Austria AG is close to agreeing on an alliance with the Concert long-distance venture of British Telecommunications PLC and MCI Communications Corp. Separately, the European Union's competition commissioner, Karel Van Miert, said he was happy with Britain's telecommunications market, improving the odds that the EU will approve BT's proposed purchase of MCI.
- Kwik Save Group PLC will close 107 of its 979 stores after competitive pressures and high costs pushed full-year profit at the supermarket operator down 28 percent, to £90.3 million (\$148.3 million); it said 90 percent of the 1,900 employees affected would be offered new jobs with the company.
- Pharmacia & Upjohn Inc., the U.S.-Swedish drug company, plans to spin off Biocare AB unit to investors by listing 51 percent of the unit's shares in Sweden and America.
- Kloekner-Werke AG, a steel and machinery maker, plans to sell its Kautex-Werke AG unit to Tetra Tech Inc. of the United States for 468 million Deutsche marks (\$308.1 million). Kautex makes plastic tanks for autos. (Bloomberg, Reuters)

U.K. Utility Is Cool to Bid

Bloomberg Business News

LONDON — East Midlands Electricity PLC said Thursday it would reject a bid from Dominion Resources Inc. If the U.S. power company did not pay more than the £1.2 billion (\$1.97 billion) it said it might offer.

Dominion Resources said Wednesday it was considering a bid for the British utility after another U.S. power company, CalEnergy Co., made a £759 million bid for Northern Electric PLC.

The acquisition would get Dominion into a comparatively deregulated British market and help it prepare to face competition in the U.S. market.

WORLD STOCK MARKETS

Thursday, Nov. 7

Prices in local currencies

High Low Close Prev.

Amsterdam

ABN-AMRO 99.10 99.10 99.10 99.10

Anglo 16.70 16.70 16.70 16.70

Alstom 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

High Low Close Prev.

Amsterdam

ABN-AMRO 99.10 99.10 99.10 99.10

Anglo 16.70 16.70 16.70 16.70

Alstom 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

High Low Close Prev.

Amsterdam

ABN-AMRO 99.10 99.10 99.10 99.10

Anglo 16.70 16.70 16.70 16.70

Alstom 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 16.70 16.70 16.70

Alkerm 16.70 1

For information on how to list your fund, fax K. Hourl at (33-1) 41 43 92 12.
E-mail : funds@iht.com

6111 Commodity Fund	14.71	1	m	Warren Global Fund	729.87	1	d	Class A	11.50	1	w	P.F.L. Vantage Ecu
---------------------	-------	---	---	--------------------	--------	---	---	---------	-------	---	---	--------------------

صلى الله عليه وسلم

INTERNATIONAL

SPEND: Japan Caution Urged

Continued from Page 15

down in Japanese economic growth represented a real threat for other Asian economies.

"If Japan's economy does not recover, then China and Taiwan, for instance, will also find it hard to keep growing, because Japan is the biggest market for their exports," Mr. Qu said.

But, Mr. Qu said, recession in Japan would not necessarily discourage Japanese companies from investing in factories elsewhere in Asia. In fact, it could raise such investment as firms increased their overseas activities to offset weak demand at home, as they have over the past five years.

In a poll of 12 Japanese economists, the Nihon Keizai Shimbun, a Japanese business daily, found that eight opposed trying to stimulate growth by passing a stimulus bill.

The economists said the government should cut corporate taxation and dismantle regulatory barriers to doing business, as such steps were more likely to pull Japan out of its recession than further pump priming.

In particular, many economists would like the government to reform Japan's antitrust law to permit the establishment of financial holding companies and ease restructuring at bad-debt financial institutions.

Many would also like the government to stimulate Japan's antiquated real-estate market, which has seen prices fall by more than half since the peak of the last economic cycle in 1989.

Still, some economists fear that Mr. Hashimoto may have already decided to follow in his predecessors' footsteps.

"The LDP appears set on increasing public-works spending," said Jesper Koll, a senior economist at J.P. Morgan Securities in Tokyo.

A supplementary budget could pass the Diet, Japan's Parliament, by the end of November, Mr. Koll said. The bulk would probably be spent on reconstruction in earthquake-hit Kobe and on financing tax breaks and low-cost government loans for companies investing in telecommunications and other high-tech industries, he said.

—Vasilios Kattoufis

Texaco Takes a Crash Course in Damage Control

By Kurt Eichenwald
New York Times Service

NEW YORK — Texaco Inc. is moving quickly to try to defuse a growing scandal over executives who were heard on a tape recording planning to destroy documents being sought in a discrimination lawsuit and belittling minority-group employees with racial epithets.

The company's chairman, Peter Bijur, has apologized on behalf of Texaco for the words heard on the tapes and has committed Texaco to a series of efforts intended to improve relations with minority employees.

"The statements on the tapes arouse a deep sense of shock and anger among all the members of the Texaco family and decent people everywhere," Mr. Bijur said Wednesday.

"They are statements that represent a profound contempt not only for the law, not only for Texaco's explicitly clear values and policies but, even more importantly, for the most fundamental standards of fairness, of mutual respect and of human decency."

The tapes — on which executives can be heard discussing the

shredding of documents and referring to some minority-group employees as "black jelly beans" and "niggers" — have caused a furor for the company since their existence was reported in The New York Times on Monday.

Already, federal prosecutors in White Plains, New York, have served Texaco with subpoenas to determine whether any documents actually were illegally destroyed, Mr. Bijur said.

The company also has suspended J. David Keough, the chief financial and administrative officer of Hedding Insurance, a Texaco subsidiary, and Peter Meade, an assistant general manager in the fuel and marine marketing department.

In addition, the company has ended medical, insurance and other benefits to Robert Ulrich, its former treasurer who retired last year, and Richard Lundwall, the senior coordinator for personnel services in Texaco's finance department who was laid off in August as a result of cost-cutting.

Mr. Ulrich and Mr. Lundwall both declined to comment. Mr. Meade was not available for com-

ment. Mr. Keough's lawyer, Steve Kaufman, said his client had not been a party to any derogatory comments about minority employees.

"In his long career at Texaco, Mr. Keough has been a strong supporter of diversity and professional advancement for women and minorities," Mr. Kaufman said, adding that Mr. Keough planned to cooperate with Texaco's own investigation of the matter and was confident he would be vindicated.

Mr. Bijur said at a news conference Wednesday that the anger of consumers was already reaching his desk. He said he had received numerous telephone calls and electronic-mail messages from customers expressing outrage at the words on the tapes and saying they intended to stop doing business with Texaco.

Mr. Bijur said Texaco was adopting a program to express its regret for what had happened and to attempt to improve its efforts at employee diversity. Texaco also is creating a special committee of its board to review diversity programs at every level of the company.

In addition, Texaco appointed A. Leon Higgenbotham, a prominent

New York lawyer and author with expertise in racial issues, to work with the company to ensure that its practices are "consistent with the highest standards of respect for the individual" and that Texaco "treats all of its employees with fundamental fairness," Mr. Bijur said.

Texaco also said that senior executives would travel to each of its operations in the United States to express the company's "personal embarrassment" and to "ensure that nothing like this will ever happen again at Texaco."

The executives will also refocus the company's efforts on a number of programs aimed at ending racial intolerance in its ranks and will expand diversity training to include all employees, not just managers, Texaco said.

A lawyer for the minority-group employees who brought the discrimination suit being discussed on the tape recording, however, said the company's efforts had not gone far enough.

"While this is a first step, it's too little, too late," said the lawyer, Cyrus Mehri. "Texaco has yet to understand that what they are facing

is a companywide problem." In his news conference, Mr. Bijur indicated that the company was considering entering into settlement discussions on the discrimination suit. "We're exploring all options at this time," he said, when asked whether the company would settle.

A person close to Texaco said Wednesday that the company had already approached the plaintiffs' lawyers with a proposal aimed at resolving the suit but that nothing definite had yet been discussed. Mr. Mehri declined to comment.

In reaction to the tapes, a group of clergy and business leaders in San Diego called at a news conference Wednesday for a national boycott of Texaco. The group, which includes executives of local banks as well as ministers and rabbis, also called for customers to destroy their Texaco credit cards.

The tapes that led to the dramatic events this week were recorded in 1994. According to an affidavit filed with the court, the recording was made by Mr. Lundwall, who was responsible for keeping minutes of meetings with some senior executives.

SOY: German Biotech Backlash

Continued from Page 15

When the freighter Ideal Progress pulled into Hamburg's harbor late Tuesday with a 57,000-ton cargo believed to include genetically altered U.S. soybeans, Greenpeace and other environmental activist groups illuminated its hull with protest messages.

Joerg Nannmann, leader of the Greenpeace campaign, said consumers would "go elsewhere unless they know how and where these foods are grown."

The uproar over food touched by biotechnology reflects Germany's acute sensitivity to genetic manipulation of any kind, including the goal of enhancing crop yields to feed a growing world population.

The country's legacy of grisly eugenic experiments under the Nazis has limited its efforts to keep pace with the growth of biotechnology industries in the United States and caused many scientists to

abandon their work here and move abroad. Germans also share a near-mystical love for the environment. In addition, the alarm over "mad cow" disease — after recent studies suggested that people could contract a deadly brain malady by eating beef from infected livestock — has contributed to nervous suspicions among Germans and other Europeans about the origins of their food.

German officials acknowledge that the issues are so politically sensitive that they would prefer to leave the choices to the private sector.

"We would like to see the food industry voluntarily label all products that include genetically modified ingredients," said Juergen Raetgers, Germany's minister for science and technology. "If that is not possible, then we should introduce labels for all foods that do not include changed genetic material. We hope this would calm down any panic or conflicts."

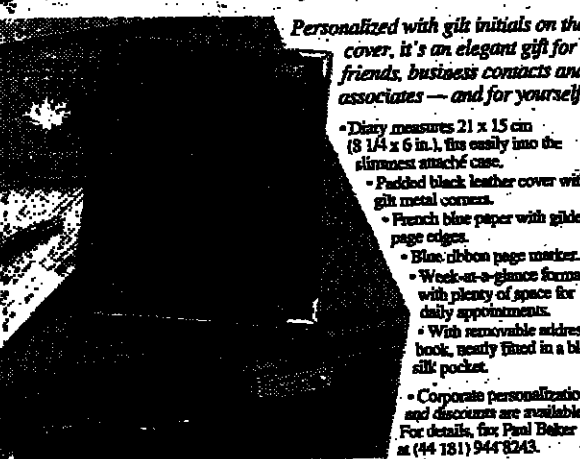
The IHT Desk Diary
For the time of your life.

Half your life's story — or even more — is inscribed on the pages of your desk diary. Yet when you travel or go to meetings, most desk diaries are too cumbersome to take along.

That's why the International Herald Tribune — constantly alert to the needs of busy executives — had this desk diary especially designed for its readers. Bound in luxurious silk-grain black leather, it's perfect on your desk, offering all the noting space of any standard desk diary. Yet pick it up and you'll find it weighs a mere 400 grams (14 oz.).

No voluminous data and statistics are included in this diary, but on the other hand a removable address book saves hours of re-copying from year to year.

Please allow three weeks for delivery.



Personalized with gilt initials on the cover, it's an elegant gift for friends, business contacts and associates — and for yourself.

• Diary measures 21 x 15 cm (8 1/4 x 6 in.), fits easily into the slimmest attaché case.

• Padded black leather cover with gilt metal corners.

• French blue paper with gilded page edges.

• Blue ribbon page marker.

• Week-at-a-glance format with plenty of space for daily appointments.

• With removable address book, neatly fitted in a blue silk pocket.

• Corporate personalization and discounts are available. For details, fax Paul Baker at (44 181) 944 8243.

Please send me 1997 IHT Desk Diaries 8-11-96

Price includes initials, packing and postage in Europe:
1-4 diaries UK £35 (U.S.\$55) each
5-9 diaries UK £33 (U.S.\$51) each
10-19 diaries UK £31 (U.S.\$48) each

☐ Additional postage outside Europe £7 (U.S.\$10.90).

☐ Check here for delivery outside Europe by registered or certified mail: £5.75 (U.S.\$8.90) per package plus postage.

Payment is by credit card only. All major cards accepted.

Please charge to my credit card:

☐ Access ☐ Amex ☐ Diners

☐ Eurocard ☐ MasterCard ☐ Visa

Card No. _____ Signature _____

Exp. _____ Name _____

Address _____

City/Code _____

Country _____

Company EU VAT ID No. _____

Herald Tribune

THE WORLD'S DAILY NEWSPAPER

Mail or fax this order form to:
International Herald Tribune Office,
37 Lambton Road, London SW20 0LW U.K.
Fax: (44 181) 944 8243

We offer you a network, not a patchwork.

Most global networks are really made up of a series of domestic systems which join together at various points.

This means a large multi-national may have to deal with a multitude of telecom companies to

solve their problem.

BT (British Telecommunications plc) offers you Concert. It's a seamless, global solution which

means you need deal with one supplier for all your telecommunications requirements wherever

you are. Let's talk.



Global Communications

Call us on EUROPE +44 1179 217721, ASIA PACIFIC +61 2 269 1784

صكزا من الاموال

ASIA/PACIFIC

Profit Soars at Sony As Yen's Slide Helps Export Earnings

Compiled by Staff from Dispatches

TOKYO — Sony Corp. said Thursday its first-half group net profit more than tripled from a year earlier as a weaker yen helped it increase overseas sales.

Group profit — which includes domestic and overseas subsidiaries such as the movie-maker Sony Pictures Entertainment Inc. — jumped to 51.74 billion yen (\$454.1 million) in the six months ended Sept. 30 from 16.09 billion yen. Sales rose 23 percent to 2.53 trillion yen.

Sony said the dollar's rise against the yen accounted for 290 billion yen of the increase in sales. Analysts, however, said the full-year earnings outlook was questionable because the dollar's rally against the yen was likely to fizzle.

Nevertheless, Sony raised its full-

year group net profit forecast by about 11 percent, to 105 billion yen. That compares with a profit of 54.25 billion yen for the last financial year. Sony's stock fell 10 yen to 6,850. The company released its earnings report after the close of trading.

The dollar rose to an average of 108.21 yen in the half from 89.28 yen in the year-earlier period. A weaker yen makes it possible for Sony to cut prices or improve profit margins on exports.

Sony was helped by sales of its 32-bit home video-game console, the PlayStation, and of software for the machine.

Sony's "other products" division, which includes the PlayStation, posted a 35 percent sales rise for the half-year, to 636 billion yen. Strong color-TV sales worldwide helped sales in that division rise 29 percent, to 450 billion yen.

Revenue at Sony Pictures Entertainment rose 28 percent, to 353 billion yen. "Some of the films in the half-year period did not do well, but the picture group's video and television business was strong," a Sony spokesman said.

(Bloomberg, Reuters)

Helene Curtis Helps Shiseido Expand

Compiled by Staff from Dispatches

TOKYO — Shiseido Co. said Thursday its U.S. unit would buy certain assets of Helene Curtis Industries Inc.'s professional-products business to expand its presence in North America.

Shiseido, Japan's largest cosmetics company, refused to disclose terms of the acquisition.

The acquisition includes sales rights, certain trademarks and patents, inventories and other assets. But the company said the "Helene Curtis" trademark and the Helene Curtis professional-products business in Japan, Australia, New Zealand and Italy were not included.

The British-Dutch consumer-products conglomerate Unilever Group owns a controlling stake in Helene Curtis Industries.

The company's latest move is part of its drive to diversify in response to competition from imported products being sold at discount prices in Japan.

Shiseido entered the U.S. market in 1988 by buying Zotos Corp., a maker of hair products sold to salons. It later started selling products geared toward Asian-Americans. (Bloomberg, Reuters)

Softbank Earnings Rise

Softbank Corp. said its profit rose 78 percent in the six months ended Sept. 30 as it benefited from a boom in software sales to Japanese households and businesses. Bloomberg Business News reported.

The company said current, or pretax, profit rose to 8.44 billion yen. Sales rose 46 percent, to 86.87 billion yen. Softbank sells and distributes software, network services, computer peripherals and magazines about computing. The number of PCs shipped in Japan rose 39 percent, to 3,384,000, in the period.

"We think that the Internet boom is just beginning in Japan," said Masayoshi Son, Softbank's president.

Softbank has drawn attention since late 1994 as it made several purchases of U.S. computer-related companies, including Kingston Technology Corp., which makes memory boards for PCs, and Ziff-Davis Publishing Co., the largest U.S. publisher of computer magazines. Lately, Softbank has been investing in young Internet-related firms.

Japan's Pension 'Headache'

Crisis Looms as Firms Face Huge Shortfalls

Bloomberg Business News

TOKYO — Two years ago, Mitsubishi Electric Corp.'s pension fund had 60 percent of the money it needed to cover projected pension payments.

Last year, the amount shrank to 55 percent. This year, the company estimates it has only half the funds needed to meet an eventual 940 billion yen (\$8.25 billion) in pension liabilities.

"It's a corporate headache," said Eiichiro Mizuta, the company's general manager of personnel affairs and labor relations. Mitsubishi Electric, moreover, is far from alone. The roster of companies publicizing their pension woes reads like a Who's Who of "Japan Inc."

Hitachi Ltd. will take a 29 billion yen loss this year to cover a shortfall in its pension program. Matsushita Electric Industrial Co. plans a special 10 billion yen contribution.

Tokyo Electric Power Co. recently took a 55.7 billion yen charge for this purpose.

Honda Motor Co. estimates its pension fund has only two-thirds of the money it needs to keep up with payouts.

Sony Corp. has even less than that — 35 percent, according to corporate filings made in the United States.

The problem is not limited to big-name multinationals, but they are

the ones talking about it because they have to report pension liabilities in the United States, where many of them have listed shares.

Companies listed only in Japan do not have to disclose their pension shortfalls, so the true depth of the problem remains shrouded in speculation.

A leading business magazine, Toyo Keizai, estimated recently that the total pension shortfall for all publicly traded Japanese companies was about 10 trillion yen.

Others, however, say it could be much bigger. Ken Okamoto, an investment strategist at Dresdner Kleinwort Benson (Asia), puts it at 40 trillion yen. That figure would put the pension problem on a par with the loan crisis at Japanese banks, which hold about 40 trillion yen in nonperforming loans.

"We've just seen the tip of the iceberg," said Jun Kataoka, an analyst at the Mitsubishi Research Institute.

The impending crisis is forcing companies and the government to reform Japan's pension system, by sweeping away decades-old regulation, driving a wedge into the cozy relations that have characterized corporate Japan and financing competition in the fund-management business. That, in turn, has created opportunities for foreign investment advisors. (See article below.)

The growing problem has Japanese companies caught between two unfavorable trends for pension funds: Interest rates have dropped to all-time lows, depressing returns on investments, just as ever-greater numbers of Japanese workers are approaching retirement age.

Declining birth rates and a longer average life span have led to a rapid graying of Japan's work force. That means fewer new workers will be available to support middle-aged Japanese when they retire.

Unable to do much about aging workers, Japanese companies have turned their attention to improving returns by pushing for reform of the pension regulations.

Specifically, they want to cut through a tangle of government rules that, for example, has ensured that trust banks and life insurers manage more than 96 percent of corporate pension funds.

They also want relief from requirements that they keep at least half their money in fixed-income investments such as bonds and no more than 30 percent in stocks.

Some companies are winning the freedom to invest as they see fit. Mitsubishi Electric, for example, recently won special permission from the government to invest more of its pension assets in stocks and foreign securities. The company plans to hand as much as 40 percent of that money to specialized fund managers, including some foreign concerns, by 2000.

Foreign Managers Catch a Windfall

Bloomberg Business News

TOKYO — For international money managers, Japan's colossal pension funds have long been forbidden treasure — tantalizingly large, yet placed off limits by bureaucratic regulation.

Recently, though, some Japanese companies have started handing over some of their 200 trillion yen (\$1.86 trillion) in retirement savings to foreign managers.

In all, 39 foreign-owned companies — including names such as Goldman Sachs Asset Management Japan Ltd., Morgan Stanley Asset & Investment Trust Management Co., and Invesco Asset Management (Japan) Ltd. — now

handle more than 1 trillion yen, or one-third of all externally managed corporate pension money, according to industry figures.

The amount could quadruple within five years, analysts say, as deregulation of pension management progresses and companies gain more choice as to where to place their retirement funds.

"Foreign investment advisory companies have become a major presence here in a very short time," said Hiroshi Nakamura, a senior analyst at Nikko Research Center.

Six years ago, in an effort to avert a pension crisis, Tokyo began easing restrictions that had effectively

placed all pension funds in the hands of a small group of domestic life insurers and trust banks.

As interest rates declined and Japanese investors looked abroad in search of higher returns, foreign fund managers offered greater international experience, especially in stock markets, analysts said.

After years of disappointing returns, for example, Honda Motor Co. recently moved its 93 billion yen in pension assets to new managers, half of them foreign.

Hitachi Ltd. is expected to follow suit. Matsushita Electric Industrial Co. says it, too, may increase the proportion of its pension funds invested by foreign companies.

Investor's Asia

Hong Kong Hang Seng		Singapore Straits Times		Tokyo Nikkei 225	
Exchange	Index	Thursday Close	Friday Close	% Change	
Hong Kong	Hang Seng	12,735.56	12,775.37	+0.3	
Singapore	Straits Times	2,112.73	2,080.45	-1.6	
Sydney	All Ordinaries	2,248.74	2,260.50	+0.5	
Tokyo	Nikkei 225	20,771.11	20,591.52	-0.9	
Korea	Korea Composite	1,177.43	1,175.09	-0.2	
Chengdu	SET	922.28	943.27	+2.3	
Sri Lanka	Composite Index	741.78	747.29	+0.7	
Taipei	Stock Market Index	6,628.99	6,653.95	+0.4	
Banjar	FTSE	3,653.00	3,599.43	-1.5	
Jakarta	Composite Index	594.59	597.34	+0.5	
Wellington	NZSE-50	2,155.65	2,235.2	+3.8	
Bombay	Sensitive Index	3,055.56	3,044.19	-0.4	

Source: Reuters

International Herald Tribune

SPORTS

Japan to Host Final In 2002 World Cup

Officials Reveal Surprise Pact; South Korea Gets Opening Game

Japan and South Korea cleared the first and biggest hurdle in the staging of the 2002 World Cup by agreeing to play the opening match in Seoul and the final in Japan, officials said Thursday.

Japan will stage the final and the closing ceremony and South Korea the opening game and the opening ceremony, said an official in Seoul at the Office of Preparation for the 2002 FIFA World Cup, who insisted on anonymity.

The deal was confirmed by Japanese officials. It needs formal approval by a FIFA executive committee scheduled to meet in Barcelona on Dec. 7.

"This is unbelievable that it's been decided so quickly," one Japanese soccer official said. "Not just for soccer, but for relations between our two countries. We've showed we can work things out."

The agreements were reached in Zurich on Wednesday at a study group arranged by FIFA, world soccer's governing body, the Seoul official said.

In Zurich, however, the president of the South Korean football association, Chung Moon-Jong, refused to comment.

"I am not denying it, or confirming it," he said. "If that is what they are saying in Seoul, that is what they are saying, but I am not saying anything." FIFA officials also refused comment.

The official in Seoul said the two countries had agreed to call the event the 2002 FIFA World Cup Korea-Japan, resolving a sensitive issue of which country would be mentioned first.

The final will consist of one match, not two. As in France in 1998, the tournament will involve 32 teams and 64 matches. The Seoul official said he had confirmed details of the agreement with South Korean delegates in Zurich.

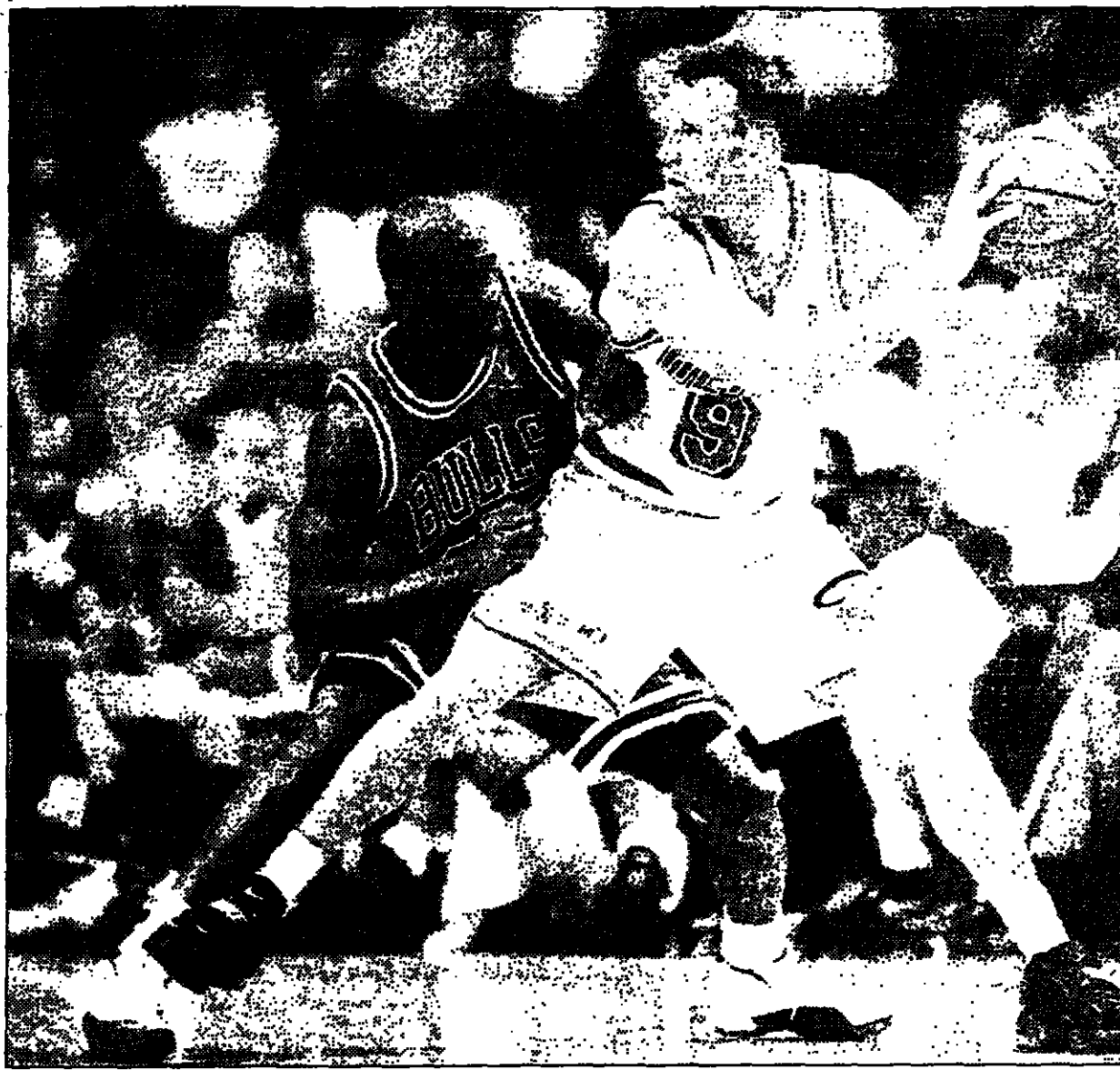
Relations between South Korea and Japan have often been strained. The rivalry is rooted in Tokyo's 35-year colonial occupation of Korea and the events of World War II.

The Seoul official said details on the financial arrangements remained unresolved. "Draws for the qualifying and final rounds would be held in Japan, according to the decision made in the study group," he said.

Japan and Korea each sent six-man delegations to the meeting, led by the Japan Football Association's president, Ken Nagatsuma, and his Korean counterpart, Chung Moon-Jong.

Besides agreeing on the location for the final match and the name of the event, the study group also agreed on, among other things, the event logo and mascot, composition of organizing committees, and the competition format, venues and time schedules.

After the meeting, Lennart Johansson, FIFA's vice president, stunned more than 120 media representatives, many of whom had flown from Japan and Korea, by saying that FIFA would release no details of what had been decided.



Michael Jordan, left, guarding Dan Majerle of the Miami Heat. Jordan scored 50 points and the Bulls won, 106-100.

50 for Jordan But Bulls Are In Close Race

The Associated Press

Michael Jordan had the 29th 50-point regular-season game of his career, going 18-of-33 from the field and 13-of-14 from the free-throw line, as Chicago beat Miami, 106-100.

The victory Wednesday night ran Chicago's season-opening winning streak to four, but the Bulls are only tied for the lead in the Central Division with the Detroit Pistons and Milwaukee Bucks.

Jordan made three particularly spectacular plays. The first was an alley-oop dunk on which he jumped, grabbed

NBA Roundup

Scottie Pippen's pass with one hand and slammed it through in one motion.

The second was an under-the-basket-over-the-shoulder shot while facing away from the hoop and blocked by Alonzo Mourning that left his teammates grinning. The third was a steal of Kurt Thomas' inbounds pass with 2 seconds left in the first half that led to a 3-pointer from 26 feet, giving the Bulls a 57-53 halftime lead.

Dennis Rodman had 22 rebounds and Scottie Pippen had 17 points. Alonzo Mourning had 33 points and 19 rebounds for the Heat, which struggled from outside. Dan Majerle was 0-for-8 on 3-point attempts, and the team was 4-for-24 from long range.

Pistons 103, Mavericks 84 Detroit won its fourth in a row despite playing without Grant Hill, who was bothered by a sore right wrist. The Pistons led by at least 14 points throughout the fourth quarter, defeating Dallas at Auburn Hills, Michigan.

Bucks 105, Grizzlies 89 At Milwaukee, the Bucks had no problem with Vancouver as they stretched their record to 3-0 for the first time since 1971. Vin Baker had 20 points and 11 rebounds, Ray Allen had 20 points and Glenn Robinson scored 18.

Hornets 88, Lakers 78 Matt Geiger made four 3-pointers — one more than he had all last season — and finished with 22 points and 10 rebounds to help the host Hornets halt the Lakers' best start since 1987. Charlotte outscored the Lakers, 55-37, in the second half.

Shaquille O'Neal had 22 points and 10 rebounds for Los Angeles.

Celtics 94, Pacers 84 At Boston, the winless Pacers blew a 26-point lead and were outscored 38-8 in the third period. "This is the worst loss I've ever been associated with while a member of this organization," Reggie Miller of the Pacers said.

Magic 108, Nets 95 In Tokyo, Japan, a crowd of 40,000 saw Anfernee Hardaway score 23 points and Gerald Wilkins add 18 as Orlando evened its record at 1-1.

The Nets, who got 22 points from Kendall Gill and 18 points and 11 rebounds from Shawn Bradley, lost for the second time in as many games.

Rony Seikaly scored 10 of his 13 points in the fourth quarter in his Magic debut. The teams are to play a second game in Tokyo on Saturday.

Bullets 96, Spurs 86 Chris Webber had 22 points and a career-high 21 rebounds. Juwan Howard had 22 points and 12 rebounds and Rod Strickland added 16 points and seven assists for the host Bullets.

Sean Elliott scored 18 points for the injury-depleted Spurs, who reached 80 points for the first time in four games.

Busy FIFA Tells Scots to Play And Moves Guatemala's Games

ZURICH — Soccer's governing body, FIFA, had a busy day Thursday. It rearranged World Cup games, reiterated its concerns about crowd safety and confirmed that it would persist with its so-called "mini" World Cup.

Estonia and Scotland, whose World Cup qualifying match was canceled on Oct. 9, must replay the match, FIFA said.

The game was called off after the 13-man team failed to show up for the kickoff, which that morning had been rescheduled for daytime play due to the poor lighting conditions at the stadium in Tallinn for night games. The Estonian team said most of its players had daytime jobs and therefore couldn't make the change on such short notice.

The game is to be replayed in Tallinn by March 16, in daylight, with the Scottish team's costs for the trip to the Baltic state paid by FIFA.

Sepp Blatter, FIFA's general secretary, said: "At no time could it be said that Estonia willfully failed to show up for the match."

David Will of Scotland, a member of the FIFA's World Cup organizing committee, was asked to leave the committee room while the matter was discussed. He said afterward: "I am resigned to the committee's decision and I am obliged to accept it, although I cannot say I am entirely happy with it."

FIFA also decided that Guatemala's Flores Marco Stadium, where 84 people died in a stampede prior to the start of a World Cup game against Costa Rica last month, would not be used for matches.

Guatemala's two remaining World Cup home games — against Costa Rica and Trinidad and Tobago — are to be held in neighboring countries.

FIFA continued to push for a fence-free 1998 World Cup in France. The decision on having all fences removed from French stadiums will hinge on a report from a government study group due out next January.

FIFA also gave the go-ahead to a mini World Cup to be played every two years by Continental champions. Saudi Arabia is to host the first sanctioned event, to be called the Confederations Cup, in December 1997. Eight national teams will take part. The competition has already been staged twice without FIFA's official blessing.

Gerd Mayer-Vorfelder of the German Football Association, said Germany, the European champion, would not compete. "There is no discussion about this in Germany. The team will not compete. It is a problem with scheduling and the clubs have other commitments."

Mexico beat Honduras, 3-1, before a crowd of 100,000 at the Aztec Stadium Wednesday to reach the last qualifying round for the 1998 World Cup. Mexico will play Canada for a place in the Cup.

For Gretzky, a Rare Pointless Game

The Associated Press

Wayne Gretzky had his league-high point-scoring streak snapped at 15 games as New York's two teams, the Rangers and the Islanders, fought to a 1-1 tie.

Gretzky, who had seven goals and 15 assists for 22 points in the streak, was stopped cold Wednesday night by the Islanders' goaltender, Eric Fichaud. Adam Graves scored with 2:33 left in regulation for the visiting Rangers to tie the game.

Devils 2, Red Wings 0 Detroit suffered its first regular-season shutout in 98 games in a loss to New Jersey. Martin Brodeur turned away 36 shots for the visiting Devils.

It was the Devils' third victory over the Red Wings in four regular-season games since their four-game sweep of Detroit in the 1995 Stanley Cup finals.

Whalers 5, Bruins 1 In Hartford, Paul Ranheim and Geoff Sanderson each scored twice and Sean Burke made 27 saves to lead the Whalers over Boston. The victory, Hartford's first since Oct. 24, snapped a five-game winless streak and moved the Whalers into first place in the Northeast Division.

Penguins 5, Oilers 2 Mario Lemieux scored the tie-breaking goal late in the third period to help Pittsburgh beat Edmonton and win consecutive games for the first time this season. The Oilers have lost three straight and are 0-2 so far on a six-game road trip, their longest of the season.

Capitals 2, Lightning 1 In Tampa, Craig Berube scored the winning goal with 10:13 remaining as Washington beat the Lightning. Washington's goaltender, Jim Carey, won his fourth consecutive game, coming through with 16 saves.

Stars 3, Coyotes 2 Mike Modano scored a pair of goals to lead visiting Dallas over the stumping Coyotes. Benoit Hogue also scored for the Stars, and goaltender Andy Moog made 29 saves for his league-leading eighth victory of the season.

Canadiens 6, Mighty Ducks 5 Martin Rucinsky earned his second career hat trick and Mark Recchi set up three goals as Montreal earned its first road victory of the season.

Avalanche 4, Sharks 1 Keith Jones, obtained by Colorado in a weekend trade, scored twice, and goaltender Patrick Roy maintained his unbeaten record against San Jose as the visiting Avalanche defeated the Sharks.

NHL Roundup



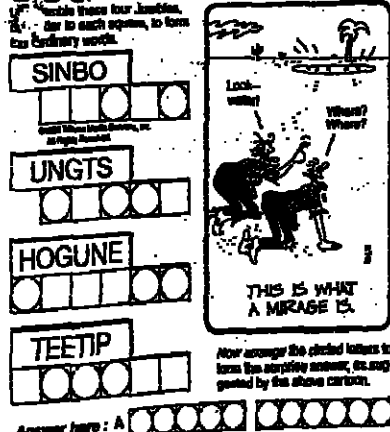
J. F. Jomphe of the Mighty Ducks, left, stick checking Vladimir Malakhov of Montreal.

DENNIS THE MENACE



"If you want me to be quiet, Mr. Wilson, remember, I don't talk with my mouth full."

JUMBLE



Answer from: A

Expel, Ranch, Jetman, Tangle

What's a dazzling action scene to watch — the next time?

Business Message Center

Appears every Wednesday.

To advertise contact Fred Ronan

Tel.: 331 41 93 91

Fax: 331 41 43 93 70

or your nearest BHT office or representative.

PEANUTS



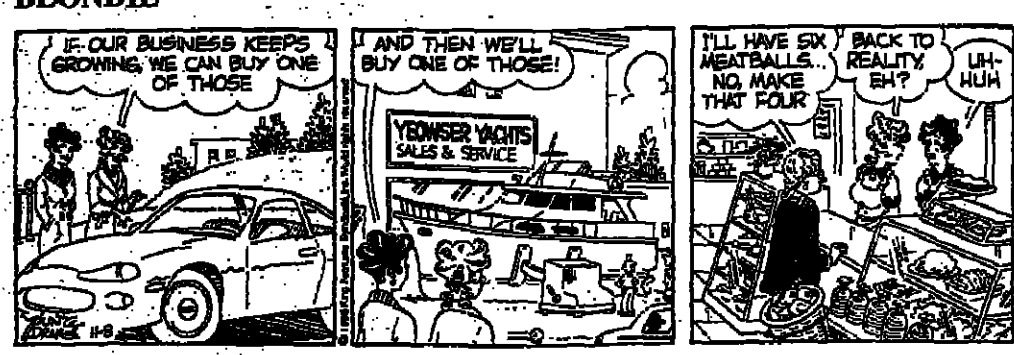
GARFIELD



BEETLE BAILEY



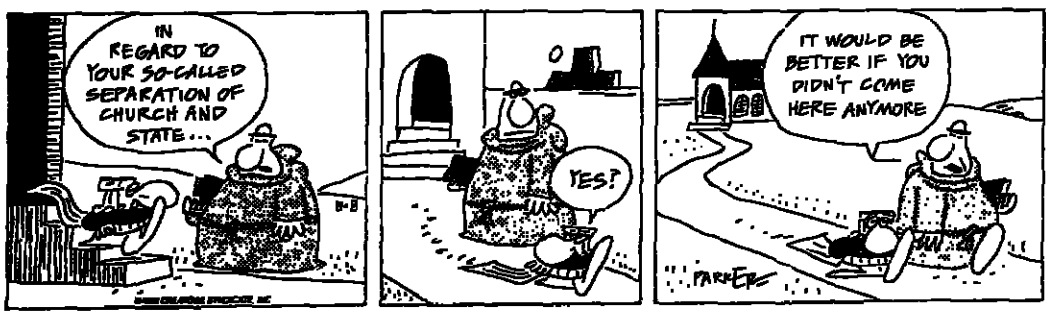
BLONDIE



CALVIN AND HOBBES



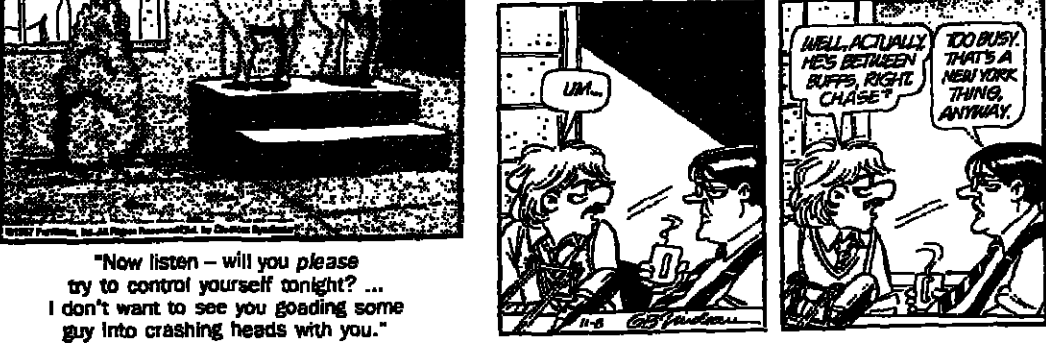
WIZARD of ID



THE FAR SIDE



DOONESBURY



"Now listen — will you please try to control yourself tonight? ... I don't want to see you goading some guy into crashing heads with you."

سكرا من الاربع

